

Council/Agency Meeting Held: _____	_____ City Clerk's Signature
Deferred/Continued to: _____	
<input type="checkbox"/> Approved <input type="checkbox"/> Conditionally Approved <input type="checkbox"/> Denied	
Council Meeting Date: 3/17/2008	Department ID Number: ED 08-09

**CITY OF HUNTINGTON BEACH
REQUEST FOR REDEVELOPMENT AGENCY ACTION**

SUBMITTED TO: HONORABLE CHAIRMAN AND REDEVELOPMENT AGENCY MEMBERS

SUBMITTED BY: PAUL EMERY, INTERIM EXECUTIVE DIRECTOR *PE*

PREPARED BY: STANLEY SMALEWITZ, DEPUTY EXECUTIVE DIRECTOR *SS*

SUBJECT: Receive and File: 2006-2007 State Controller Report

Statement of Issue, Funding Source, Recommended Action, Alternative Action(s), Analysis, Environmental Status, Attachment(s)

Statement of Issue: Section 33080.1 of the State of California Health and Safety Code ("Redevelopment Law") requires that the Redevelopment Agency (Agency) prepare an Annual Report that is sent to the State Controller's Office within 180 days following the end of the public entity's fiscal year. The report for the fiscal year of 2006/2007 is now being submitted to the Redevelopment Agency for formal receipt and filing, prior to the report being submitted to the State Controller's Office.

Funding Source: Not applicable.

Recommended Action: Motion to:

1. Receive and File the 2006-2007 State Controller's Report.

Alternative Action(s): Not Applicable.

E-12

REQUEST FOR REDEVELOPMENT AGENCY ACTION

MEETING DATE: 3/17/2008

DEPARTMENT ID NUMBER: ED 08-09

Analysis: The Redevelopment Agency is required to annually submit its State Controller's Report to the State Controller's Office (SCO). The report being submitted is comprised of information regarding the Agency's financial transactions, blight progress, as well as loan, property and housing activities for the fiscal year of 2006/2007. A copy of the Agency's audit must be sent to the State Controller as part of the report. Staff will also generate an online version of the report which will be submitted electronically to the California Department of Housing and Community Development (HCD).

This information is used at the State level to monitor the Agency's activities and report on the progress of redevelopment, affordable housing projects and financing throughout California.

The Economic Development and Finance Department staff jointly prepared the report which must be received by the Redevelopment Agency.

Strategic Plan Goal: By making information available to the public regarding the Agency's activities and the progress of redevelopment and affordable housing projects, the Agency is helping to achieve the following strategic goal: *"Increase community involvement, dialogue, and outreach by educating residents about opportunities for involvement such as how to donate to projects, volunteer, access information, and offer opinions through the website and other means."*

Environmental Status: Not applicable.

Attachment(s):

City Clerk's Page Number	No.	Description
3	1.	2006-2007 State Controller's Report (financial transactions and blight progress)
71	2.	Housing Activity Report

E12.3

ATTACHMENT #1

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2006-2007 STATE CONTROLLER'S REPORT (FINANCIAL)

- Redevelopment Agencies Financial Transactions Report
Cover Page
- Redevelopment Agencies Financial Transactions Report
- Supplement to Report for US Bureau of the Census
- Additional Reports
 - Redevelopment Agency of the City of Huntington Beach
Activities 2006-2007
 - Blight Progress Report
 - Loan Report
 - Property Report
- Statement of Indebtedness-Consolidated Report

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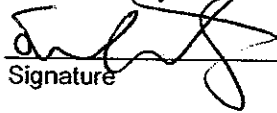
**REDEVELOPMENT AGENCIES
FINANCIAL TRANSACTIONS REPORT
COVER PAGE**

Entity Name: Redevelopment Agency Of The City of Huntington Beach

Fiscal Year 2008

ID Number: **13983037600**

Submitted by:

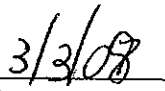

Signature

Deputy Executive Director
Redevelopment Agency

Title

Stanley Smalewitz

Name (Please Print)


Date

Per Health and Safety Code section 33080, this report is due within six months after the end of the fiscal year. The report is to include two (2) copies of the agency's component unit audited financial statements, and the report on the Status and Use of the Low and Moderate Income Housing Fund (HCD report). To meet the filing requirements, all portions must be received by the California State Controller's Office.

To file electronically:

1. Complete all forms as necessary.
2. Transmit the completed output file using a File Transfer Protocol (FTP) program or via diskette.
3. Sign this cover page and mail to either address below with 2 audits and the HCD report.

Report will not be considered filed until receipt of this signed cover page.

To file a paper report:

1. Complete all forms as necessary.
2. Sign this cover page, and mail complete report to either address below with 2 audits and the HCD report.

Mailing Address:

State Controller's Office
Division of Accounting and
Reporting
Local Government Reporting Section
P. O. Box 942850
Sacramento, CA 94250

Express Mailing Address:

State Controller's Office
Division of Accounting and Reporting
Local Government Reporting Section
3301 C Street, Suite 700
Sacramento, CA 95816

Redevelopment Agency Of The City Of Huntington Beach

Redevelopment Agencies Financial Transactions Report

General Information

Fiscal Year 2008

Members of the Governing Body			
	Last Name	First Name	Middle Initial
Chairperson	Cook	Debbie	
Member	Carchio	Joe	
Member	Bohr	Keith	
Member	Coerper	Gil	
Member	Green	Cathy	
Member	Hansen	Don	
Member	Hardy	Jill	
Member			
Member			
Member			

Mailing Address			
Street 1	2000 Main Street		
Street 2			
City	Huntington Beach	State	CA Zip 92648-
Phone	Is Address Changed?		

Agency Officials				
	Last Name	First Name	Middle Initial	Phone
Executive Director	Emery	Paul		(714) 536-5482
Fiscal Officer	Villella	Dan		(714) 536-5225
Secretary	Flynn	Joan		(714) 536-5404

Report Prepared By			
Independent Auditor			
Firm Name	Diehl, Evans and Company, LLP		
Last	Bulosan	Patel	
First	Dahle	Nitin	
Middle Initial			
Street	2121 Alton Parkway, Suite 100		
City	Huntington Beach	Irvine	
State	CA	CA	
Zip Code	92648-	92606-4956	
Phone	(714) 536-5648	(949) 399-0600	

Redevelopment Agency of The City of Huntington Beach Redevelopment Agencies Financial Transactions Report

Achievement Information (Unaudited)

Fiscal Year 2008

Indicate Only Those Achievements Completed During the Fiscal Year of this Report as a Direct Result of the Activities of the Redevelopment Agency.

Please provide a description of the agency's activities/accomplishments during the past year.

(Please be specific, as this information will be the basis for possible inclusion in the publication.)

Activity Report

During this year the Redevelopment Agency of the City of Huntington Beach continued to implement the projects that were described in the Implementation Plans and the Ten Year Housing Compliance Plan, namely:

- HUNTINGTON BEACH PROJECT (MERGED AREA)
 - The Strand (Blocks 104-105 in the Main Pier sub area)
 - Pacific City
 - Surf City Nights
 - Bella Terra
 - Specific and Economic Revitalization Plan for Beach Boulevard and Edinger Corridor
 - Downtown Specific Plan (DTSP) and Downtown Parking Master Plan
 - Hyatt Regency Huntington Beach Resort and Spa
 - Capital Improvements and Facilities
- SOUTHEAST COASTAL PROJECT
 - Utility Undergrounding
 - Magnolia Sidewalk & Pedestrian Lighting
 - Seawater Desalination Facility
- HOUSING
 - Habitat for Humanity (Patterson Site)
 - Jamboree Housing I, II, and III
 - Garfield and Delaware Affordable Housing Project

Each of these projects are more fully described in subsequent sections of this report.

Square Footage Completed

Enter the amount of square footage completed this year by building type and segregated by new or rehabilitated construction.

	New Construction	Rehabilitated
Commercial Buildings	60,278	
Industrial Buildings		
Public Buildings	12,000	
Other Buildings		
Total Square Footage	72,278	0

Enter the Number of Jobs Created from the Activities of the Agency

Types Completed ACDE

A=Utilities B=Recreation C=Landscaping D=Sewer/ Storm E=Streets/ Roads
 F=Bus/Transit

Redevelopment Agency Of The City Of Huntington Beach

Redevelopment Agencies Financial Transactions Report

Achievement Information (Unaudited)

Redevelopment Agency Of The City Of Huntington Beach Redevelopment Agencies Financial Transactions Report

Audit Information

Fiscal Year 2008

Was the Report Prepared from Audited Financial Data, and Did You Submit a Copy of the Audit?

☐ Yes

Indicate Financial Audit Opinion

☐ Unqualified

If Financial Audit is not yet Completed, What is the Expected Completion Date?

☐

If the Audit Opinion was Other than Unqualified, State Briefly the Reason Given

☐

Was a Compliance Audit Performed in Accordance with Health and Safety Code Section 33080.1 and the State Controller's Guidelines for Compliance Audits, and Did You Submit a Copy of the Audit?

☐ Yes

Indicate Compliance Audit Opinion

☐ Unqualified

If Compliance Audit is not yet Completed, What is the Expected Completion Date?

☐

If compliance opinion includes exceptions, state the areas of non-compliance, and describe the agency's efforts to correct.

The Agency did not submit required reports to the legislative body within six months of fiscal year end date of September 30, 2006.

The Agency will submit reports for fiscal year end date of September 30, 2007 by March 31, 2008.

Redevelopment Agency of The City of Huntington Beach Redevelopment Agencies Financial Transactions Report

Project Area Report

Fiscal Year 2008

Project Area Name

Consolidated Low and Moderate Income
Housing Funds

Please Provide a Brief Description of
the Activities for this Project Area
During the Reporting Year.

Activity Report

1. Habitat for Humanity (Patterson Delaware site) -- The Redevelopment Agency has acquired a vacant parcel at 1854 Patterson Lane for \$522,500 using Housing Set Aside funds for a Habitat for Humanity project. Two single family homes will be built on the site. The original plan was to install two manufactured homes on the site however the company offering the homes withdrew their offer due to economic reasons. The homes will now be conventional built homes following the Habitat for Humanity model of the homeowners contributing sweat equity.
2. Jamboree Housing I, II, and III -- The Agency and City of Huntington Beach assisted Jamboree Housing Corporation, an Orange County based non-profit housing developer and designated CHDO (Community Housing Development Organization), to acquire and rehabilitate two five-plex apartment buildings in the Oakview sub-area. This represents the first acquisition/rehab projects developed in the City of Huntington

Forwarded from Prior Year ?

Enter Code for Type of Project Area Report

P = Standard Project Area Report

L = Low and Moderate Income Housing Fund

O = Other Miscellaneous Funds or Programs

A = Administrative Fund

M = Mortgage Revenue Bond Program

S = Proposed (Survey) Project Area

Does the Plan Include Tax Increment Provisions?

Date Project Area was Established (MM-DD-YY)

Most Recent Date Project Area was Amended

Did this Amendment Add New Territory?

Most Recent Date Project Area was Merged

Will this Project Area be Carried Forward to Next Year?

Established Time Limit :

Repayment of Indebtedness (Year Only)

Effectiveness of Plan (Year Only)

New Indebtedness (Year Only)

Size of Project Area in Acres

Percentage of Land Vacant at the Inception of the Project Area

Health and Safety Code Section 33320.1 (xx.x%)

Percentage of Land Developed at the Inception of the Project Area

Health and Safety Code Section 33320.1 (xx.x%)

Objectives of the Project Area as Set Forth in the Project Area Plan

(Enter the Appropriate Code(s) in Sequence as Shown)

R = Residential I = Industrial C = Commercial P = Public O = Other

Redevelopment Agency Of The City Of Huntington Beach Redevelopment Agencies Financial Transactions Report

Project Area Report

Fiscal Year 2008

Project Area Name

Huntington Beach Redevelopment Project
Area No. 1

Please Provide a Brief Description of the Activities for this Project Area During the Reporting Year.

Activity Report

1. The Strand is a multi-use project developed by CIM Group on a 3-acre site in the downtown core. With views of Huntington Beach and the pier it is located on Pacific Coast Highway, north of Main Street. A Sixth Implementation Agreement and the 33433 Report are scheduled to be presented to the Redevelopment Agency in spring 2008. The Strand's four distinct buildings will be linked by open-air pedestrian walkways. The Strand will offer approximately 110,000 square feet of retail and office space. The Shorebreak Hotel is a 157 room luxury boutique hotel operated by Jole de Vivre Hospitality. Ample parking will be provided in a subterranean structure. Retail tenants include Forever 21/Forever Love, CVS, and Active Ride Shop. Dining options include Johnny Rockets, RA Sushi, New Zealand Natural Ice Cream, and Coffee Bean & Tea Leaf. The development is scheduled to open in the fall of 2008.
2. Pacific City is being developed by

Forwarded from Prior Year ?

Yes

Enter Code for Type of Project Area Report

P

P = Standard Project Area Report

A = Administrative Fund

L = Low and Moderate Income Housing Fund

M = Mortgage Revenue Bond Program

O = Other Miscellaneous Funds or Programs

S = Proposed (Survey) Project Area

Does the Plan Include Tax Increment Provisions?

Yes

Date Project Area was Established (MM-DD-YY)

12/16/1982

Most Recent Date Project Area was Amended

8/5/2002

Did this Amendment Add New Territory?

No

Most Recent Date Project Area was Merged

Yes

Will this Project Area be Carried Forward to Next Year?

Established Time Limit :

Repayment of Indebtedness (Year Only)

2034

Effectiveness of Plan (Year Only)

2024

New Indebtedness (Year Only)

2024

Size of Project Area in Acres

619

Percentage of Land Vacant at the Inception of the Project Area

5.0

Health and Safety Code Section 33320.1 (xx.x%)

Percentage of Land Developed at the Inception of the Project Area

95.0

Health and Safety Code Section 33320.1 (xx.x%)

Objectives of the Project Area as Set Forth in the Project Area Plan

RCPO

(Enter the Appropriate Code(s) in Sequence as Shown)

R = Residential I = Industrial C = Commercial P = Public O = Other

Redevelopment Agency Of The City Of Huntington Beach Redevelopment Agencies Financial Transactions Report

Project Area Report

Fiscal Year 2008

Project Area Name

Southeast Coastal Redevelopment Project

Please Provide a Brief Description of the Activities for this Project Area During the Reporting Year.

Activity Report

1. Utility Undergrounding -- Southern California Edison is taking the lead in doing the design work for undergrounding the Edison utilities along PCH and is working with City staff, CalTrans, and the California State Beaches Department.
2. Seawater Desalination Facility -- The Redevelopment Agency approved an Owner Participation Agreement (OPA), dated February 27, 2006, with Poseidon Resources Corporation to provide for the development of a seawater desalination plant on property leased from the AES Corporation. The Agreement containing the covenants affecting the real property was recorded on June 8, 2006. AES is in the process of removing storage tanks on this property.
3. Magnolia Street Sidewalk & Lighting -- The construction of a sidewalk and installation of pedestrian lighting on both sides of Magnolia Street was included in the Capital Improvement Program (CIP) budget for \$500,000.

Forwarded from Prior Year ?

Enter Code for Type of Project Area Report

P = Standard Project Area Report

L = Low and Moderate Income Housing Fund

O = Other Miscellaneous Funds or Programs

Does the Plan Include Tax Increment Provisions?

Date Project Area was Established (MM-DD-YY)

Most Recent Date Project Area was Amended

Did this Amendment Add New Territory?

Most Recent Date Project Area was Merged

Will this Project Area be Carried Forward to Next Year?

Established Time Limit :

Repayment of Indebtedness (Year Only)

Effectiveness of Plan (Year Only)

New Indebtedness (Year Only)

Size of Project Area in Acres

Percentage of Land Vacant at the Inception of the Project Area

Health and Safety Code Section 33320.1 (xx.x%)

Percentage of Land Developed at the Inception of the Project Area

Health and Safety Code Section 33320.1 (xx.x%)

Objectives of the Project Area as Set Forth in the Project Area Plan

(Enter the Appropriate Code(s) in Sequence as Shown)

R = Residential I = Industrial C = Commercial P = Public O = Other

Yes	P	A = Administrative Fund	2047
		M = Mortgage Revenue Bond Program	2032
		S = Proposed (Survey) Project Area	2022
6/17/2002			172
			14.4
			85.6
			PO

Redevelopment Agency Of The City Of Huntington Beach

Redevelopment Agencies Financial Transactions Report

Assessed Valuation Data

Fiscal Year 2008

Project Area Name

Huntington Beach Redevelopment Project Area
No. 1

Frozen Base Assessed Valuation

158,107,405

Increment Assessed Valuation

1,403,932,607

Total Assessed Valuation

1,562,040,012

Assessed Valuation Data

Page 1

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Redevelopment Agency Of The City Of Huntington Beach
Redevelopment Agencies Financial Transactions Report

Assessed Valuation Data

Fiscal Year **2008**

Project Area Name

Southeast Coastal Redevelopment Project

Frozen Base Assessed Valuation

103,733,755

Increment Assessed Valuation

28,184,321

Total Assessed Valuation

131,918,076

Redevelopment Agency Of The City Of Huntington Beach Redevelopment Agencies Financial Transactions Report

Pass-Through / School District Assistance

Fiscal Year 2008

Project Area Name

Huntington Beach Redevelopment Project Area No. 1

Amounts Paid To Taxing
 Agencies Pursuant To:

H & S Code Section 33401	H & S Code Section 33676	H & S Code Section 33607	Total	H & S Code Section 33445	H & S Code Section 33445.5
-----------------------------	-----------------------------	-----------------------------	-------	-----------------------------	-------------------------------

County

365,478

\$365,478

Cities

253,783

\$253,783

School Districts

755,252

\$755,252

Community College District

172,400

\$172,400

Special Districts

65,787

\$65,787

Total Paid to Taxing
 Agencies

\$0

\$1,612,700

\$0

\$1,612,700

\$0

\$0

Net Amount to Agency

\$13,400,247

Gross Tax Increment
 Generated

15,012,947

Redevelopment Agency Of The City Of Huntington Beach

Redevelopment Agencies Financial Transactions Report

Pass-Through / School District Assistance

Fiscal Year **2008**

Project Area Name

Southeast Coastal Redevelopment Project

Amounts Paid To Taxing Agencies Pursuant To:

	H & S Code Section 33401	H & S Code Section 33676	H & S Code Section 33607	Total	H & S Code Section 33445	H & S Code Section 33445.5
County			7,100	\$7,100		
Cities			10,370	\$10,370		
School Districts			29,500	\$29,500		
Community College District			6,184	\$6,184		
Special Districts			2,423	\$2,423		
Total Paid to Taxing Agencies	\$0	\$0	\$55,577	\$55,577	\$0	\$0

Net Amount to Agency

\$240,606

Gross Tax Increment
Generated

296,183

Redevelopment Agency Of The City Of Huntington Beach

Redevelopment Agencies Financial Transactions Report

Summary of the Statement of Indebtedness - Project Area

Fiscal Year 2008

Project Area Name

Tax Allocation Bond Debt
 Revenue Bonds
 Other Long Term Debt
 City/County Debt
 Low and Moderate Income Housing Fund
 Other

Total

Available Revenues

Net Tax Increment Requirements

Consolidated Low and Moderate Income Housing Funds

\$0

\$0

2/27/2008

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Summary of the Statement of Indebtedness - Project Area

Redevelopment Agency Of The City Of Huntington Beach Redevelopment Agencies Financial Transactions Report

Summary of the Statement of Indebtedness - Project Area

Fiscal Year 2008

Project Area Name

Huntington Beach Redevelopment Project
 Area No. 1

Tax Allocation Bond Debt	39,739,660
Revenue Bonds	
Other Long Term Debt	8,197,516
City/County Debt	82,261,517
Low and Moderate Income Housing Fund	37,028,166
Other	7,444,904
Total	\$174,671,763
Available Revenues	2,269,562
Net Tax Increment Requirements	\$172,402,201

Redevelopment Agency Of The City Of Huntington Beach

Redevelopment Agencies Financial Transactions Report

Summary of the Statement of Indebtedness - Project Area

Fiscal Year 2008

Project Area Name

Southeast Coastal Redevelopment Project

Tax Allocation Bond Debt

Revenue Bonds

Other Long Term Debt

City/County Debt

Low and Moderate Income Housing Fund

Other

Total

Available Revenues

Net Tax Increment Requirements

7,312,583	
1,828,146	
\$9,140,729	
992,871	
\$8,147,858	

Redevelopment Agency Of The City Of Huntington Beach

Redevelopment Agencies Financial Transactions Report

Agency Long-Term Debt

Fiscal Year

2008

Project Area Name

Huntington Beach Redevelopment Project Area No. 1

Forward from Prior Year

Bond Type

Year of Authorization

Principal Amount Authorized

Principal Amount Issued

Purpose of Issue

Maturity Date Beginning Year

Maturity Date Ending Year

Principal Amount Unmatured Beginning of Fiscal Year

Adjustment Made During Year

Adjustment Explanation

Interest Added to Principal

Principal Amount Issued During Fiscal Year

Principal Amount Matured During Fiscal Year

Principal Amount Defeased During Fiscal Year

Principal Amount Unmatured End of Fiscal Year

Principal Amount In Default

Interest In Default

Bond Types Allowed:

Tax Allocation Bonds; Revenue Bonds; Certificates of Participation; Tax Allocation Notes; Financing Authority Bonds; City/County Debt; US/State; Loans; Lease Obligations; Notes; Deferred Pass-Throughs; Deferred Compensation; Other

Yes	City/County Debt
1982	
104,501,018	
104,501,018	
Project Funding	
2034	
2034	
\$85,103,000	
3,626,000	
3,350,000	
\$85,369,000	

Redevelopment Agency Of The City Of Huntington Beach

Redevelopment Agencies Financial Transactions Report

Agency Long-Term Debt

Fiscal Year

2008

Project Area Name

Huntington Beach Redevelopment Project Area No. 1

Forward from Prior Year

Bond Type

Year of Authorization

Principal Amount Authorized

Principal Amount Issued

Purpose of Issue

Maturity Date Beginning Year

Maturity Date Ending Year

Principal Amount Unmatured Beginning of Fiscal Year

Adjustment Made During Year

Adjustment Explanation

Interest Added to Principal

Principal Amount Issued During Fiscal Year

Principal Amount Matured During Fiscal Year

Principal Amount Defeased During Fiscal Year

Principal Amount Unmatured End of Fiscal Year

Principal Amount In Default

Interest In Default

Yes	Deferred Compensation
2003	
143,000	
143,000	
Compensated Absences	
2003	
2034	
\$17,000	
20,000	
\$37,000	

Bond Types Allowed:

Tax Allocation Bonds; Revenue Bonds; Certificates of Participation; Tax Allocation Notes; Financing Authority Bonds; City/County Debt; US/State; Loans; Lease Obligations; Notes; Deferred Pass-Throughs; Deferred Compensation; Other

Redevelopment Agency Of The City Of Huntington Beach

Redevelopment Agencies Financial Transactions Report

Agency Long-Term Debt

Fiscal Year

2008

Project Area Name

Huntington Beach Redevelopment Project Area No. 1

Forward from Prior Year	Yes
Bond Type	Other
Year of Authorization	1982
Principal Amount Authorized	35,000,000
Principal Amount Issued	35,000,000
Purpose of Issue	Other
Maturity Date Beginning Year	2034
Maturity Date Ending Year	2034
Principal Amount Unmatured Beginning of Fiscal Year	\$8,697,516
Adjustment Made During Year	-516
Adjustment Explanation	rounding difference
Interest Added to Principal	496,000
Principal Amount Issued During Fiscal Year	
Principal Amount Matured During Fiscal Year	1,592,000
Principal Amount Defeased During Fiscal Year	
Principal Amount Unmatured End of Fiscal Year	\$7,601,000
Principal Amount in Default	
Interest In Default	

Bond Types Allowed:

Tax Allocation Bonds; Revenue Bonds; Certificates of Participation; Tax Allocation Notes; Financing Authority Bonds; City/County Debt; US; State; Loans; Lease Obligations; Notes; Deferred Pass-Throughs; Deferred Compensation; Other

Redevelopment Agency Of The City Of Huntington Beach

Redevelopment Agencies Financial Transactions Report

Agency Long-Term Debt

Fiscal Year

2008

Project Area Name

Huntington Beach Redevelopment Project Area No. 1

Forward from Prior Year	Yes
Bond Type	Other
Year of Authorization	2006
Principal Amount Authorized	15,000,000
Principal Amount Issued	15,000,000
Purpose of Issue	Bella Terra Parking
Maturity Date Beginning Year	2007
Maturity Date Ending Year	2008
Principal Amount Unmatured Beginning of Fiscal Year	\$15,000,000
Adjustment Made During Year	
Adjustment Explanation	
Interest Added to Principal	2,062,000
Principal Amount Issued During Fiscal Year	
Principal Amount Matured During Fiscal Year	2,207,000
Principal Amount Defeased During Fiscal Year	
Principal Amount Unmatured End of Fiscal Year	\$14,855,000
Principal Amount in Default	
Interest in Default	

Bond Types Allowed:

Tax Allocation Bonds; Revenue Bonds; Certificates of Participation; Tax Allocation Notes; Financing Authority Bonds; City/County Debt; US State; Loans; Lease Obligations; Notes; Deferred Pass-Throughs; Deferred Compensation; Other

Redevelopment Agency Of The City Of Huntington Beach

Redevelopment Agencies Financial Transactions Report

Agency Long-Term Debt

Fiscal Year

2008

Project Area Name

Huntington Beach Redevelopment Project Area No. 1

Forward from Prior Year	
Bond Type	Tax Allocation Bonds
Year of Authorization	1999
Principal Amount Authorized	10,835,000
Principal Amount Issued	10,835,000
Purpose of Issue	Refinance 1992 Loan
Maturity Date Beginning Year	1999
Maturity Date Ending Year	2025
Principal Amount Unmatured Beginning of Fiscal Year	\$8,155,000
Adjustment Made During Year	
Adjustment Explanation	
Interest Added to Principal	
Principal Amount Issued During Fiscal Year	
Principal Amount Matured During Fiscal Year	365,000
Principal Amount Defeased During Fiscal Year	
Principal Amount Unmatured End of Fiscal Year	\$7,790,000
Principal Amount In Default	
Interest In Default	

Bond Types Allowed:

Tax Allocation Bonds; Revenue Bonds; Certificates of Participation; Tax Allocation Notes; Financing Authority Bonds; City/County Debt; US/State; Loans; Lease Obligations; Notes; Deferred Pass-Throughs; Deferred Compensation; Other

Redevelopment Agency Of The City Of Huntington Beach

Redevelopment Agencies Financial Transactions Report

Agency Long-Term Debt

Fiscal Year 2008

Project Area Name

Huntington Beach Redevelopment Project Area No. 1

Forward from Prior Year	
Bond Type	Tax Allocation Bonds
Year of Authorization	2002
Principal Amount Authorized	20,900,000
Principal Amount Issued	20,900,000
Purpose of Issue	Refinance 1992 PFA Debt
Maturity Date Beginning Year	2002
Maturity Date Ending Year	2024
Principal Amount Unmatured Beginning of Fiscal Year	\$17,910,000
Adjustment Made During Year	
Adjustment Explanation	
Interest Added to Principal	
Principal Amount Issued During Fiscal Year	
Principal Amount Matured During Fiscal Year	815,000
Principal Amount Defeased During Fiscal Year	
Principal Amount Unmatured End of Fiscal Year	\$17,095,000
Principal Amount In Default	
Interest In Default	

Bond Types Allowed:

Tax Allocation Bonds; Revenue Bonds; Certificates of Participation; Tax Allocation Notes; Financing Authority Bonds; City/County Debt; US; State; Loans; Lease Obligations; Notes; Deferred Pass-Throughs; Deferred Compensation; Other

Redevelopment Agency Of The City Of Huntington Beach

Redevelopment Agencies Financial Transactions Report

Agency Long-Term Debt

Fiscal Year

2008

Project Area Name

Huntington Beach Redevelopment Project Area No. 1

Forward from Prior Year	Yes	
Bond Type	US	
Year of Authorization	2000	
Principal Amount Authorized	6,000,000	
Principal Amount Issued	6,000,000	
Purpose of Issue	New Loan	
Maturity Date Beginning Year	2000	
Maturity Date Ending Year	2034	
Principal Amount Unmatured Beginning of Fiscal Year	\$4,715,000	
Adjustment Made During Year		
Adjustment Explanation		
Interest Added to Principal		
Principal Amount Issued During Fiscal Year		
Principal Amount Matured During Fiscal Year	235,000	
Principal Amount Defeased During Fiscal Year		
Principal Amount Unmatured End of Fiscal Year	\$4,480,000	
Principal Amount In Default		
Interest In Default		

Bond Types Allowed:

Tax Allocation Bonds; Revenue Bonds; Certificates of Participation; Tax Allocation Notes; Financing Authority Bonds; City/County Debt; US:State; Loans; Lease Obligations; Notes; Deferred Pass-Throughs; Deferred Compensation; Other

Redevelopment Agency Of The City Of Huntington Beach

Redevelopment Agencies Financial Transactions Report

Non-Agency Long-Term Debt

Fiscal Year 2008

Project Area Name

Huntington Beach Redevelopment Project Area No. 1

Forward from Prior Year	Yes
Bond Type	Mortgage Revenue Bonds
Year of Authorization	1991
Principal Amount Authorized	9,500,000
Principal Amount Issued	9,500,000
Purpose of Issue	Fine Points Senior Complex
Maturity Date Beginning Year	1991
Maturity Date Ending Year	2021
Principal Amount Unmatured Beginning of Fiscal Year	9,500,000
Adjustment Made During Year	
Adjustment Explanation	
Principal Amount Issued During Fiscal Year	
Principal Amount Matured During Fiscal Year	
Principal Amount Defeased During Fiscal Year	
Principal Amount Unmatured End of Fiscal Year	\$9,500,000
Principal Amount in Default	
Interest in Default	

Bond Types Allowed:

Mortgage Revenue; Industrial Development; Commercial Revenue Bond; Certificate of Participation

Redevelopment Agency Of The City Of Huntington Beach

Redevelopment Agencies Financial Transactions Report

Non-Agency Long-Term Debt

Fiscal Year 2008

Project Area Name

Huntington Beach Redevelopment Project Area No. 1

Forward from Prior Year

Bond Type

Mortgage Revenue Bonds

Year of Authorization

1996

Principal Amount Authorized

16,000,000

Principal Amount Issued

16,000,000

Purpose of Issue

Huntington Breakers

Maturity Date Beginning Year

1996

Maturity Date Ending Year

2026

Principal Amount Unmatured Beginning of Fiscal Year

16,000,000

Adjustment Made During Year

Adjustment Explanation

Principal Amount Issued During Fiscal Year

Principal Amount Matured During Fiscal Year

Principal Amount Defeased During Fiscal Year

Principal Amount Unmatured End of Fiscal Year

\$16,000,000

Principal Amount in Default

Interest in Default

Bond Types Allowed:

Mortgage Revenue; Industrial Development; Commercial Revenue Bond; Certificate of Participation

Redevelopment Agency Of The City Of Huntington Beach

Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Revenues

Fiscal Year	2008	Consolidated Low and Moderate Income Housing Funds				
Project Area Name		Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	Total
Tax Increment Gross (Include All Apportionments)						\$0
Special Supplemental Subvention						\$0
Property Assessments						\$0
Sales and Use Tax						\$0
Transient Occupancy Tax						\$0
Interest Income				641,464		\$641,464
Rental Income						\$0
Lease Income				1		\$1
Sale of Real Estate						\$0
Gain on Land Held for Resale						\$0
Federal Grants						\$0
Grants from Other Agencies						\$0
Bond Administrative Fees						\$0
Other Revenues				30		\$30
Total Revenues		\$0	\$0	\$641,495	\$0	\$641,495

Redevelopment Agency Of The City Of Huntington Beach

Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Revenues

Fiscal Year 2008

Project Area Name

Huntington Beach Redevelopment Project Area No. 1

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	Total
Tax Increment Gross (Include All Apportionments)		15,012,947			\$15,012,947
Special Supplemental Subvention					\$0
Property Assessments					\$0
Sales and Use Tax					\$0
Transient Occupancy Tax	52				\$52
Interest Income	1,268,019	190,397			\$1,458,416
Rental Income					\$0
Lease Income	549,166				\$549,166
Sale of Real Estate	7,247				\$7,247
Gain on Land Held for Resale					\$0
Federal Grants					\$0
Grants from Other Agencies					\$0
Bond Administrative Fees					\$0
Other Revenues	1,565,649				\$1,565,649
Total Revenues	\$3,390,133	\$15,203,344	\$0	\$0	\$18,593,477

Redevelopment Agency of The City of Huntington Beach

Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Revenues

Fiscal Year 2008

Project Area Name Southeast Coastal Redevelopment Project

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	Total
Tax Increment Gross (Include All Apportionments)		296,183			\$296,183
Special Supplemental Subvention					\$0
Property Assessments					\$0
Sales and Use Tax					\$0
Transient Occupancy Tax		41,355			\$41,355
Interest Income					\$0
Rental Income					\$0
Lease Income					\$0
Sale of Real Estate					\$0
Gain on Land Held for Resale					\$0
Federal Grants					\$0
Grants from Other Agencies					\$0
Bond Administrative Fees					\$0
Other Revenues					\$0
Total Revenues	\$0	\$337,538	\$0	\$0	\$337,538

Redevelopment Agency of The City of Huntington Beach

Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Expenditures

Fiscal Year	2008	Consolidated Low and Moderate Income Housing Funds					Total
Project Area Name		Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other		
Administration Costs				119,050			\$119,050
Professional Services				86,140			\$86,140
Planning, Survey, and Design							\$0
Real Estate Purchases				408,282			\$408,282
Acquisition Expense							\$0
Operation of Acquired Property							\$0
Relocation Costs							\$0
Relocation Payments							\$0
Site Clearance Costs							\$0
Project Improvement / Construction Costs				925,611			\$925,611
Disposal Costs							\$0
Loss on Disposition of Land Held for Resale							\$0

Redevelopment Agency of The City of Huntington Beach

Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Expenditures

Fiscal Year

2008

Project Area Name

Consolidated Low and Moderate Income Housing Funds

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other	Total
Decline in Value of Land Held for Resale					\$0
Rehabilitation Costs					\$0
Rehabilitation Grants					\$0
Interest Expense					\$0
Fixed Asset Acquisitions					\$0
Subsidies to Low and Moderate Income Housing					\$0
Debt Issuance Costs					\$0
Other Expenditures Including Pass- Through Payment(s)					\$0
Debt Principal Payments:					
Tax Allocation Bonds and Notes					\$0
Revenue Bonds, Certificates of Participation, Financing Authority Bonds					\$0
City/County Advances and Loans					\$0
All Other Long-Term Debt					\$0
Total Expenditures	\$0	\$0	\$1,539,083	\$0	\$1,539,083
Excess (Deficiency) Revenues over (under) Expenditures	\$0	\$0	(\$897,588)	\$0	(\$897,588)

Redevelopment Agency Of The City Of Huntington Beach

Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Expenditures

Fiscal Year	Huntington Beach Redevelopment Project Area No. 1				
Project Area Name	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other	Total
Administration Costs	822,787	366,450			\$1,189,237
Professional Services	653,189	84,251			\$737,440
Planning, Survey, and Design					\$0
Real Estate Purchases					\$0
Acquisition Expense					\$0
Operation of Acquired Property					\$0
Relocation Costs					\$0
Relocation Payments					\$0
Site Clearance Costs					\$0
Project Improvement / Construction Costs	390,025				\$390,025
Disposal Costs					\$0
Loss on Disposition of Land Held for Resale					\$0

Redevelopment Agency Of The City Of Huntington Beach Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Expenditures

Fiscal Year 2008
 Project Area Name Huntington Beach Redevelopment Project Area No. 1

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other	Total
Decline in Value of Land Held for Resale					\$0
Rehabilitation Costs					\$0
Rehabilitation Grants					\$0
Interest Expense		1,540,440			\$1,540,440
Fixed Asset Acquisitions					\$0
Subsidies to Low and Moderate Income Housing					\$0
Debt Issuance Costs					\$0
Other Expenditures Including Pass- Through Payment(s)		1,624,347			\$1,624,347
Debt Principal Payments:					
Tax Allocation Bonds and Notes		1,180,000			\$1,180,000
Revenue Bonds, Certificates of Participation, Financing Authority Bonds					\$0
City/County Advances and Loans		3,360,000			\$3,360,000
All Other Long-Term Debt		4,034,000			\$4,034,000
Total Expenditures	\$1,866,001	\$12,189,488	\$0	\$0	\$14,055,489
Excess (Deficiency) Revenues over (under) Expenditures	\$1,524,132	\$3,013,856	\$0	\$0	\$4,537,988

Redevelopment Agency Of The City Of Huntington Beach

Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Expenditures

Fiscal Year	2008	Southeast Coastal Redevelopment Project				
Project Area Name		Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other	Total
Administration Costs		794				\$794
Professional Services		8,971	1,674			\$10,645
Planning, Survey, and Design						\$0
Real Estate Purchases						\$0
Acquisition Expense						\$0
Operation of Acquired Property						\$0
Relocation Costs						\$0
Relocation Payments						\$0
Site Clearance Costs						\$0
Project Improvement / Construction Costs						\$0
Disposal Costs						\$0
Loss on Disposition of Land Held for Resale						\$0

Redevelopment Agency Of The City Of Huntington Beach

Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Expenditures

Fiscal Year

2008

Project Area Name

Southeast Coastal Redevelopment Project

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other	Total
Decline in Value of Land Held for Resale					\$0
Rehabilitation Costs					\$0
Rehabilitation Grants					\$0
Interest Expense					\$0
Fixed Asset Acquisitions					\$0
Subsidies to Low and Moderate Income Housing					\$0
Debt Issuance Costs					\$0
Other Expenditures Including Pass- Through Payment(s)		55,578			\$55,578
Debt Principal Payments:					
Tax Allocation Bonds and Notes					\$0
Revenue Bonds, Certificates of Participation, Financing Authority Bonds					\$0
City/County Advances and Loans					\$0
All Other Long-Term Debt					\$0
Total Expenditures	\$9,765	\$57,252	\$0	\$0	\$67,017
Excess (Deficiency) Revenues over (under) Expenditures	(\$9,765)	\$280,286	\$0	\$0	\$270,521

Redevelopment Agency of The City of Huntington Beach

Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Other Financing Sources

Fiscal Year	Consolidated Low and Moderate Income Housing Funds			
2008	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other
Project Area Name				Total
Proceeds of Long-Term Debt				\$0
Proceeds of Refunding Bonds				\$0
Payment to Refunded Bond Escrow Agent				\$0
Advances from City/County				\$0
Sale of Fixed Assets				\$0
Miscellaneous Financing Sources (Uses)			-612	(\$612)
Operating Transfers In				\$0
Tax Increment Transfers In			3,061,826	\$3,061,826
Operating Transfers Out				\$0
Tax Increment Transfers Out				\$0
(To the Low and Moderate Income Housing Fund)				
Total Other Financing Sources (Uses)	\$0	\$0	\$3,061,214	\$3,061,214

Redevelopment Agency Of The City Of Huntington Beach

Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Other Financing Sources

Fiscal Year 2008
 Project Area Name Consolidated Low and Moderate Income Housing Funds

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other	Total
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	\$0	\$0	\$2,163,626	\$0	\$2,163,626

Equity, Beginning of Period	\$0	\$0	\$10,501,764	\$0	\$10,501,764
Prior Period Adjustments					\$0
Residual Equity Transfers					\$0

Refresh

Other(Specify)	A	B	C	D	E
Total					

Other Total					
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Equity, End of Period	\$0	\$0	\$12,665,390	\$0	\$12,665,390
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Redevelopment Agency of The City of Huntington Beach

Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Other Financing Sources

Fiscal Year	Project Area Name	Huntington Beach Redevelopment Project Area No. 1				
		Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other	Total
2008						
	Proceeds of Long-Term Debt					\$0
	Proceeds of Refunding Bonds					\$0
	Payment to Refunded Bond Escrow Agent					\$0
	Advances from City/County					\$0
	Sale of Fixed Assets					\$0
	Miscellaneous Financing Sources (Uses)	-20,000	-78,834			(\$98,834)
	Operating Transfers In					\$0
	Tax Increment Transfers In					\$0
	Operating Transfers Out					\$0
	Tax Increment Transfers Out		3,003,337			\$3,003,337
	(To the Low and Moderate Income Housing Fund)					
	Total Other Financing Sources (Uses)	(\$20,000)	(\$3,082,171)	\$0	\$0	(\$3,102,171)

Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Other Financing Sources

2008

Huntington Beach Redevelopment Project Area No. 1

Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other	Total
\$ 1,504,132	(\$68,315)	\$0	\$0	\$1,435,817

Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses

Equity, Beginning of Period	\$20,444,075	\$608,243	\$0	\$0	\$21,052,318
Prior Period Adjustments					\$0
Residual Equity Transfers					\$0

A B C D E Refresh

[illegible]

Other Total

Equity, End of Period	\$21,948,207	\$539,928	\$0	\$0	\$22,488,135

Redevelopment Agency Of The City Of Huntington Beach

Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Other Financing Sources

Fiscal Year	2008	Southeast Coastal Redevelopment Project				
Project Area Name		Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other	Total
Proceeds of Long-Term Debt						\$0
Proceeds of Refunding Bonds						\$0
Payment to Refunded Bond Escrow Agent						\$0
Advances from City/County						\$0
Sale of Fixed Assets						\$0
Miscellaneous Financing Sources (Uses)						\$0
Operating Transfers In						\$0
Tax Increment Transfers In						\$0
Operating Transfers Out						\$0
Tax Increment Transfers Out			58,489			\$58,489
(To the Low and Moderate Income Housing Fund)						
Total Other Financing Sources (Uses)		\$0	(\$58,489)	\$0	\$0	(\$58,489)

Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Other Financing Sources

Fiscal Year

2008

Project Area Name

Southeast Coastal Redevelopment Project

Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other	Total
(\$9,765)	\$221,797	\$0	\$0	\$212,032

Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses

Equity, Beginning of Period	(\$180,797)	\$619,022	\$0	\$438,225
Prior Period Adjustments				\$0
Residual Equity Transfers				\$0

Other(Specify)

Other(Specify)	A	B	C	D	E
Total					

Refresh

Other Total

Equity, End of Period	(\$190,562)	\$840,819	\$0	\$0	\$650,257
Common Stock, \$10 Par Value					
Preferred Stock, \$10 Par Value					
Retained Earnings					
Accumulated Other Comprehensive Income					
Total Equity					

Redevelopment Agency Of The City Of Huntington Beach
Redevelopment Agencies Financial Transactions Report

Balance Sheet - Assets and Other Debits

Fiscal Year	2008	Capital Projects Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	General Long- Term Debt	General Fixed Assets	Total
Assets and Other Debits								
Cash and Imprest Cash		17,018,888	1,121,485	10,471,390				\$28,611,763
Cash with Fiscal Agent			2,462,317					\$2,462,317
Tax Increments Receivable			4,063,416					\$4,063,416
Accounts Receivable		937,150						\$937,150
Accrued Interest Receivable		231,161	9,219	118,516				\$358,896
Loans Receivable				11,435,134				\$11,435,134
Contracts Receivable								\$0
Lease Payments Receivable								\$0
Unearned Finance Charge								\$0
Due from Capital Projects Fund		190,560		2,093,927				\$2,284,487
Due from Debt Service Fund		3,022,292						\$3,022,292
Due from Low/Moderate Income Housing Fund								\$0
Due from Special Revenue/Other Funds								\$0

**Redevelopment Agency Of The City Of Huntington Beach
Redevelopment Agencies Financial Transactions Report**

Balance Sheet - Assets and Other Debits

Fiscal Year	2008	Capital Projects Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	General Long- Term Debt	General Fixed Assets	Total
Investments								\$0
Other Assets		302,489						\$302,489
Investments: Land Held for Resale		2,682,132						\$2,682,132
Allowance for Decline in Value of Land Held for Resale								\$0
Fixed Assets: Land, Structures, and Improvements							17,153,359	\$17,153,359
Equipment								\$0
Amount Available In Debt Service Fund								\$0
Amount to be Provided for Payment of Long-Term Debt						137,227,000		\$137,227,000
Total Assets and Other Debits		\$24,384,672	\$7,656,437	\$24,118,967	\$0	\$137,227,000	\$17,153,359	\$210,540,435

(Must Equal Total Liabilities,
Other Credits, and Equities)

Redevelopment Agency Of The City Of Huntington Beach
Redevelopment Agencies Financial Transactions Report

Balance Sheet - Liabilities and Other Credits

Fiscal Year	2008	Capital Projects Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	General Long- Term Debt	General Fixed Assets	Total
Liabilities and Other Credits								
Accounts Payable		212,429		18,404				\$230,833
Interest Payable								\$0
Tax Anticipation Notes Payable								\$0
Loans Payable								\$0
Other Liabilities		130,111	3,253,398	11,435,173				\$14,818,682
Due to Capital Projects Fund		190,560	3,022,292					\$3,212,852
Due to Debt Service Fund								\$0
Due to Low/Moderate Income Housing Fund		2,093,927						\$2,093,927
Due to Special Revenue/Other Funds								\$0
Tax Allocation Bonds Payable						24,885,000		\$24,885,000
Lease Revenue, Certificates of Participation Payable, Financing Authority Bonds								\$0
All Other Long-Term Debt						112,342,000		\$112,342,000
Total Liabilities and Other Credits		\$2,627,027	\$6,275,690	\$11,453,577	\$0	\$137,227,000		\$157,583,294

Redevelopment Agency Of The City Of Huntington Beach Redevelopment Agencies Financial Transactions Report

Balance Sheet - Liabilities and Other Credits

Fiscal Year	2008	Capital Projects Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	General Long- Term Debt	General Fixed Assets	Total
Equities								
Investment In General Fixed Assets							17,153,359	\$17,153,359
Fund Balance Reserved		21,757,645	1,380,747	12,665,390				\$35,803,782
Fund Balance Unreserved-Designated								\$0
Fund Balance Unreserved-Undesignated								\$0
Total Equities		\$21,757,645	\$1,380,747	\$12,665,390	\$0		\$17,153,359	\$52,957,141
Total Liabilities, Other Credits, and Equities		\$24,384,672	\$7,656,437	\$24,118,967	\$0	\$137,227,000	\$17,153,359	\$210,540,435

Redevelopment Agency Of The City Of Huntington Beach

Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Summary Combined Transfers In/Out

Fiscal Year 2008

Operating Transfers In	\$0
Tax Increment Transfers In	\$3,061,826
Operating Transfers Out	\$0
Tax Increment Transfers Out	\$3,061,826

The Redevelopment Agency of the City of Huntington Beach Activities 2006-2007

AGENCY OVERVIEW

During this year the Redevelopment Agency of the City of Huntington Beach continued to implement the projects that were described in the Implementation Plans and the Ten Year Housing Compliance Plan, namely:

HUNTINGTON BEACH PROJECT (MERGED AREA)

- The Strand (Blocks 104-105 in the Main Pier sub area)
- Pacific City
- Surf City Nights
- Bella Terra
- Specific and Economic Revitalization Plan for Beach Boulevard and Edinger Corridor
- Downtown Specific Plan (DTSP) and Downtown Parking Master Plan
- Hyatt Regency Huntington Beach Resort and Spa
- Capital Improvements and Facilities

SOUTHEAST COASTAL PROJECT

- Utility Undergrounding
- Magnolia Sidewalk & Pedestrian Lighting
- Seawater Desalination Facility

HOUSING

- Habitat for Humanity (Patterson Site)
- Jamboree Housing I, II, and III
- Garfield and Delaware Affordable Housing Project

PROJECTS & ACTIVITIES

Huntington Beach (Merged Project Area)

1. **The Strand** is a multi-use project developed by CIM Group on a 3-acre site in the downtown core. With views of Huntington Beach and the pier it is located on Pacific Coast Highway, north of Main Street. A Sixth Implementation Agreement and the 33433 Report are scheduled to be presented to the Redevelopment Agency in spring 2008. The Strand's four distinct buildings will be linked by open-air pedestrian walkways. The Strand will offer approximately 110,000 square feet of retail and office space. The Shorebreak Hotel is a 157 room luxury boutique hotel operated by Joie de Vivre Hospitality. Ample parking will be provided in a subterranean structure. Retail tenants include Forever 21/Forever Love, CVS, and Active Ride Shop. Dining options include Johnny Rockets, RA Sushi, New Zealand Natural Ice Cream, and Coffee Bean & Tea Leaf. The development is scheduled to open in the fall of 2008.

2. **Pacific City** is being developed by Makar Properties on a 31 acre site at Pacific Coast Highway and First Street. A Community Facilities District is proposed to fund the majority of the street enhancements and Regional Urban Runoff Treatment System for the residential portion of the project. There will be 516 upscale residential housing units built in four phases, ranging from 969 to 2,500 square feet. The residential village, totaling 17.2 acres and consisting of four distinct styles, will act as the cornerstone of Pacific City, allowing residents close access to shops, restaurants with 48,900 square feet of restaurant space and 30,000 square feet of office space. This community will encompass 191,000 square feet of the retail center featuring luxurious retail brands, prime office space, dining and entertainment. Pacific City is expected to open in late 2009. The "W" is the hotel operator for the boutique hotel that will feature 157 rooms and is expected to open by 2010.
3. **Surf City Nights** is a street fair/farmer's market that takes place from 5-9 p.m. on Tuesday nights in the first three blocks of downtown Main Street between Pacific Coast Highway and Orange Avenue. Surf City Nights began as a three-month trial street closure of Main Street and developed into a weekly, year-round event. The fair was created and maintained in partnership between the City of Huntington Beach and the Downtown Business Improvement District. Historically, Tuesdays had been the slowest evening in the downtown. Due to the success of the event, residents and visitors regularly take an evening stroll and dine at local restaurants. The street fair includes a farmer's market, live entertainment, children's activities, retail sales, food, arts and crafts. Surf City Nights headlined as the second biggest story of the year in the Orange County Register and local LA Times December issue.
4. **Bella Terra**, formerly known as Huntington Center which was an outdated 56.5-acre retail property, has been transformed into an entertainment/life style center. In 2005, while the mall was still under construction, Bella Terra Associates LLC, a partnership between DJM Capital and Jh Snyder, purchased the property. The Redevelopment Agency approved Bella Terra Associates LLC to assume the rights and responsibilities of the Owner Participation Agreement in order to complete the project. The First Implementation Agreement to the OPA terminated the vacant Montgomery Wards parcel from the OPA and provided for a \$1.5 million implementation fee to the Agency. With the approval of the Second Implementation Agreement on September 17, 2007, the Agency was required to commence payment of its obligation of \$15 million to the developer. The Redevelopment Agency has paid \$2,207,000 towards its obligation to the developer leaving an estimated balance of \$14,855,000 as of September 30, 2007. The approximate 1,532 space public parking garage, funded by the Community Facilities District 2003-1 (Huntington Center), opened on October 1, 2005. Bella Terra Associates LLC also purchased the former Montgomery Wards 13.5 acre portion of the site that has been left vacant for a number of years. Negotiations are commencing to develop the parcel within the next three years. The environmental review process has begun for the proposed mix-use project that will consist of 156,000 square feet of retail and 503-700 residential units.
5. **Specific and Economic Revitalization Plan for Beach Boulevard and Edinger Corridor**
-- On December 18, 2006 the Agency approved a professional services agreement with Tierra West Advisors, LLC for the preparation of an Economic Revitalization Strategic Plan

to enhance and maximize the potential of these major thoroughfares. A real estate market analysis of existing conditions along the corridors has begun. This analysis will support the rationale for possible land-use changes that are based upon economic trends and community goals. In support of long range planning efforts, the work is being conducted in conjunction with planning firm Freedman, Tung and Bottomley (FTB) for the Specific Plan and Land Use/Planning aspects. Four community meetings have been held. The preliminary results of those meetings were presented at a City Council Study Session on January 7, 2008. The Revitalization Strategic Plan and Specific Plans for the corridors are expected to be completed in late 2008.

6. **Downtown Specific Plan (DTSP) and Downtown Parking Master Plan** -- On July 16, 2007 the Agency approved professional services contracts with RRM Design Group and Kimley-Horn and Associates, Inc. (KHA) to provide consulting services for the update to the Downtown Specific Plan (DTSP) and Downtown Parking Master Plan (DPMP). RRM Design Group is responsible for developing land use provisions and urban design guidelines that support and encourage a mixed-use development community. The planning consultant is working with KHA, a traffic/parking consultant that specializes in the analysis of parking in a downtown setting, who has the responsibility of amending the DPMP. To accomplish this, KHA will utilize "shared use" parking strategies and other innovative approaches used in regulating downtown parking. The first community work shop was held on November 27, 2007.
7. **The Hyatt Regency Huntington Beach Resort and Spa** -- The 517-room Hyatt Regency Huntington Beach Resort & Spa and its Conference Center opened for business on January 19, 2003. Developer's Advance Loan Balance is estimated at \$7,215,729 as of December 2007. The hotel paid its second Participation Payment to the Agency during this past year. The project also pays lease payments to the Agency on an annual basis.
8. **Capital Improvements/Facilities** -- The one time revenue of \$19 Million from the Redevelopment Agency's participation payments from the Waterfront Residential project is funding various public improvements within the City's Merged Redevelopment Project Area. The revenue received during 2004-2006 will be expended over several years through the City's Capital Improvement Program (CIP). Through the CIP, approximately \$16 Million has been allocated for capital projects that include the Civic Center seismic retrofit (matched with FEMA funds), drainage improvements, concrete and asphalt replacement, streetlight replacements, restrooms north of the pier, permanent buildings on the pier and a visitor's kiosk at the Pier Plaza, internal building modifications for the Main Street Library, and fire station renovations. The Surf City Nights project is also funded through this revenue source.

Southeast Coastal Project Area

1. **Utility Undergrounding** -- Southern California Edison is taking the lead in doing the design work for under-grounding the Edison utilities along PCH and is working with City staff, CalTrans, and the California State Beaches Department.

2. **Seawater Desalination Facility** -- The Redevelopment Agency approved an Owner Participation Agreement (OPA), dated February 27, 2006, with Poseidon Resources Corporation to provide for the development of a seawater desalination plant on property leased from the AES Corporation. The Agreement containing the covenants affecting the real property was recorded on June 8, 2006. AES is in the process of removing storage tanks on this property.
3. **Magnolia Street Sidewalk & Lighting** -- The construction of a sidewalk and installation of pedestrian lighting on both sides of Magnolia Street was included in the Capital Improvement Program (CIP) budget for \$500,000.

Housing Activities

1. **Habitat for Humanity (Patterson Delaware site)** -- The Redevelopment Agency has acquired a vacant parcel at 1854 Patterson Lane for \$522,500 using Housing Set Aside funds for a Habitat for Humanity project. Two single family homes will be built on the site. The original plan was to install two manufactured homes on the site however the company offering the homes withdrew their offer due to economic reasons. The homes will now be conventional built homes following the Habitat for Humanity model of the homeowners contributing sweat equity.
2. **Jamboree Housing I, II, and III** -- The Agency and City of Huntington Beach assisted Jamboree Housing Corporation, an Orange County based non-profit housing developer and designated CHDO (*Community Housing Development Organization*), to acquire and rehabilitate two five-plex apartment buildings in the Oakview sub-area. This represents the first acquisition/rehab projects developed in the City of Huntington Beach by Jamboree and one of several housing projects planned for the Oakview sub-area using HOME and redevelopment housing set-aside funds. The City and Agency are also in the process of assisting Jamboree with the acquisition of a third property, a four-unit building that will close escrow after the 2006-07 fiscal year. Jamboree will provide on-site management and tenant services for the tenants they serve as more properties are acquired and rehabilitated.
3. **Garfield and Delaware Affordable Housing Project** -- The City of Huntington Beach acquired property at the northeast corner of Delaware St. and Garfield Ave. as part of a street widening project. It is expected that the Agency will purchase the property from the City and thereafter develop affordable housing on the parcel. It is anticipated that the project will be presented to the Agency and City Council sometime during fiscal year 2008/2009.

**Supplement to the Annual Report of Community Redevelopment Agencies
For the Fiscal Year Ended June 30, 2008**

Redevelopment Agency ID Number:	13983037600
Name of Redevelopment Agency:	Redevelopment Agency of the City of Huntington Beach

The U.S. Bureau of the Census requests the following information about the fiscal activities of your government for the 2007-2008 fiscal year (defined from July 1, 2007 through June 30, 2008). Governments furnishing this information will no longer receive Census Bureau Form F-32, Survey of Local Government Finances. If you have any questions please contact:

**U.S. Bureau of the Census
Gina E. Broxterman
1-800-242-4523**

A. Personnel Expenditures

Report your government's total expenditures for salaries and wages during the year, including amounts paid on force account construction projects.

Z00	\$ 768,755
------------	-------------------

B. Mortgage Revenue Bond Interest Payments

Report your government's total amount of interest paid on mortgage revenue bonds during the year.

U20	\$
------------	-----------

**Additional Reports for State Controller
City of Huntington Beach RDA
Fiscal Year Ended September 30, 2007**

1) Blight progress report (specifies actions and expenditures made in the previous fiscal year to alleviate blight), Health & Safety Code §33080.1(d)

a) On November 15, 2004, the Agency approved the Five Year Implementation Plan (2005-2009) for the Huntington Beach Project and the Ten Year Housing Compliance Plan (2005-2014) that is on file with the State Controller. During fiscal year 2006-07 some blighted conditions have been mitigated through the programs described in these plans. In particular, construction of the CIM project "The Strand" is continuing; the renovation of Huntington Center, now called "Bella Terra," is now complete and almost fully occupied; and construction on the Makar Properties project, "Pacific City," has commenced. Additional efforts have been made to enhance and maximize the potential of the major thoroughfares known as Beach Boulevard and Edinger Avenue through a Specific Plan, and to update the Downtown Specific Plan and Downtown Parking Master Plan. In the Huntington Beach Redevelopment Merged Project area, several public improvement projects were funded including seismic retrofit, drainage and concrete and asphalt work, replacement of streetlights, and the renovation of public restroom, library and fire station facilities. In the Southeast Coastal Redevelopment Project area, the Agency is working with Edison, CalTrans, and the California State Beaches Department to underground the Edison utilities along Pacific Coast Highway. Other work in this project area includes construction of sidewalks, installation of pedestrian lighting and the proposed development of a seawater desalination plant.

2) Loan report (identifies loans (receivable) which equal or exceed \$50,000 and that were found by the agency during the previous fiscal year to have either defaulted or not complied with the terms of the agreements approved by the agency), Health & Safety Code §33080.1(e).

a) None

3) Property report (describes properties owned by the agency and those acquired in the previous fiscal year), Health and Safety Code §33080.1(f).

a) The City of Huntington Beach did not acquire any properties in the fiscal year ending September 30, 2007.
b) Agency Owned Land as of September 30, 2007:

	Description	Assessor's Parcel Number	Acres	Cost	Acquired	Funding Source	Category
Possessory Interest	Bowen Court Senior Housing Project - Sixty-year lease with Merit Housing, commencing 6/11/2001. \$1.00/year lease payment.	AP 023-042-18,-19,-20,-21,-22	0.751	\$885,000.00	9/30/1994	Housing Set-Aside	Asset
	Surf Museum (SEC 5th/Olive)	AP 024-147-01	0.116	\$286,300.00	7/1/1991	Tax Increment	Asset
	Block 104 (10' Remnant Abdelmuti parcel exchanged as 10' portion of AP 024-153-12 Gosney) Acquisition cost was proportionately reduced	AP 024-153-21	0.017	\$259,000.00	10/1/1989	Tax Increment	Asset

	Description	Assessor's Parcel Number	Acres	Cost	Acquired	Funding Source	Category
	Vacant Land, Formerly AP 165-364-05 [7921 Cypress (Walker)] and part of -07	AP 165-364-24	0.262	\$180,295.00	10/1/1989	Tax Increment	Resale
Possessory Interest	Waterfront Leasehold for 99 years.	AP 024-251-01 & 024-252-01, -02	22.079	\$14,023,000.00	7/1/1989	Tax Increment	Asset
	Degraded Wetland Parcel	Lot AA, Legal Description on file	1.007	no consideration	12/11/2002	n/a	Resale
	Vacant Land (NEC Parkside/Aldrich)	AP 142-081-06	0.413	\$664,582.00	9/1/1988	Tax Increment	Resale
	Vacant Land (NEC Parkside/Aldrich)	AP 142-081-09, -10, -11, -12	1.023	\$753,180.00	9/1/1988	Tax Increment	Resale
	Gothard/ Hoover (Housing)	AP 142-073-03	2.718	\$1,084,074.00	9/1/1987	Tax Increment	Resale
	Gothard/ Hoover (Westminster Parcel)	AP 142-311-34	1.166	\$465,059.00	9/1/1987	Tax Increment	Asset
			5.42	\$2,682,131.00	Total for Land Held for Resale		

E12.56

Balance Carried Forward From:		Line	Current	
			Total Outstanding Debt	Principal/Interest Due During Tax Year
Fiscal Period - Totals	(From Form A Totals)	(1)	174,671,767	6,028,368
(Optional)				
Post Fiscal Period - Totals	(From Form B Totals)	(2)		
Grand Totals		(3)	174,671,767	6,028,368
Available Revenues				
From Calculation of Available Revenues, Line 7		(4)	\$2,269,562	
Net Requirement		(5)	172,402,205	

Consolidate on this form all of the data contained on Form A and B (Including supplemental pages). Form A is to include all indebtedness entered into as of June 30 of the Fiscal Year. Form B may be filed at the option of the agency, and is to include indebtedness entered into post June 30 of the Fiscal Year, pursuant to Health and Safety Code Section 33675(c)(2). This is optional for each agency and is not a requirement for filing the Statement of Indebtedness. The Reconciliation Statement is to include indebtedness form Form A only.

Certification of Chief Financial Officer:

Pursuant to Section 33675(b) of the Health and Safety Code.

I hereby certify that the above is a true and accurate Statement of Indebtedness for the above named agency.

Dan T. Vilella

Name	Title
------	-------

Name _____ Title _____
Signature _____ Date _____

Signature

File

**REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH
MERGED PROJECT AREA
TAX YEAR 2007-08
RECONCILIATION DATES: JULY 1, 2006 TO JUNE 30, 2007**

1. Beginning Balance, Available Revenues (See Instructions)	\$2,497,907
2. Tax Increment Revenues - Gross All Tax Increment Revenues, to include any Tax Increment passed through to other local taxing agencies.	15,507,051
3. All other Available Revenues Received (See Instructions)	\$161,854
4. Revenues from any other source, included in Column E of the Reconciliation Statement, but not included in (1- 3) above	\$0
5. Sum of Lines 1 through 4	<u>\$18,166,812</u>
6. Total amounts paid against indebtedness in previous year.(D + E on Reconciliation Statement)	15,897,250
7. Available Revenues, End of Year (5 - 6) FORWARD THIS AMOUNT TO STATEMENT OF INDEBTEDNESS, COVER PAGE, LINE 4	<u>\$2,269,562</u>

NOTES

Tax Increment Revenues:

The only amount(s) to be excluded as Tax Increment Revenue are any amounts passed through to other local taxing agencies pursuant to Health and Safety Code Section 33676. Tax Increment Revenue set- aside in the Low and Moderate Income Housing Fund will be washed in the above calculation, and therefor omitted from Available Revenues at year end.

Item 4. above:

This represents my payments from any source other than tax Increment OR available revenues. For instance, an agency funds a project with a bond issue. the previous SOI included a Disposition Development Agreement (DDA) which was fully satisfied with these bond proceeds. The DDA would be shown on the Reconciliation Statement as fully repaid under the "other" column (Col E), but with funds that were neither tax Increment, nor "Available Revenues" as defined. The amounts used to satisfy this DDA would be included on line 4 above in order to accurately determine ending "Available Revenues."

STATEMENT OF INDEBTEDNESS - FISCAL YEAR INDEBTEDNESS FILED FOR THE 2007-2008 TAX YEAR

Form A
Page 1 of 3

E12.58

THE REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH MERGED PROJECT AREA

For Indebtedness Entered into as of June 30, 2007

Debt Identification	Original Data				Current	
	Date	Principal	Term	Interest Rate	Total Interest	Principal/Interest Due During Tax Year
(A) General Fund Advance	1985/86	2,015,086		5.60%	1,261,476	899,427
(B) General Fund Advance	1986/87	751,988		5.60%	628,718	484,404
(C) General Fund Advance	1987/88	4,093,298		5.60%	3,579,136	1,832,973
(D) General Fund Advance	1988/89	4,033,406		5.60%	4,473,830	2,947,005
(E) General Fund Advance	1989/90	1,559,835		5.60%	1,262,627	191,364
(F) General Fund Advance	1990/91	4,867,001		5.60%	5,255,182	2,232,141
(G) General Fund Advance	1991/92	698,250		5.60%	684,152	333,488
(H) General Fund Advance	1992/93	250,116		5.60%	177,884	113,037
(I) General Fund Advance	1993/94	113,656		5.60%	88,223	91,786
(J) General Fund Advance	1994/95	3,088,374		5.60%	3,114,374	116,183
(K) Water Fund Advance	1986/87	138,000		5.60%	328,321	462,261
(L) Water Fund Advance	1987/88	1,000,000		5.60%	2,190,933	2,957,752
Total						12,661,821

Purpose of Indebtedness:

- (A) General and Administrative
- (B) General and Administrative
- (C) General and Administrative
- (D) General and Administrative
- (E) General and Administrative
- (F) General and Administrative

- (G) General and Administrative
- (H) General and Administrative
- (I) General and Administrative
- (J) General and Administrative
- (K) Construction of Water Improvements
- (L) Construction of Water Improvements

**STATEMENT OF INDEBTEDNESS - FISCAL YEAR INDEBTEDNESS
FILED FOR THE 2007-2008 TAX YEAR**

Form A
Page 2 of 3

**THE REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH
MERGED PROJECT AREA**

For Indebtedness Entered into as of June 30, 2007

Debt Identification	Original Data				Current	
	Date	Principal	Term	Interest Rate	Total Interest	Principal/Interest Due During Tax Year
(A)						
(B) Drainage Fund Advance	1987/88	250,000		5.60%	554,986	551,798
(C) General Fund Blufftop Advance	1987/88	50,000		5.60%	92,339	22,317
(D) Land Sales	1983/84	405,536		5.60%	351,597	823,683
(E) Land Sales	1987/88	1,228,381		5.60%	1,283,587	2,494,961
(F) Land Sales	1988/89	29,002,000		5.60%	22,146,792	52,541,423
(G) Land Sales	1989/90	2,267,000		5.60%	1,899,346	4,090,770
(H) Land Sales	1991/92	3,064,730		5.60%	2,449,110	4,608,943
(I) Sewer Fund Advance	1989/90	175,000		5.60%	313,970	228,962
(J) Capital Fund Advance Low Income Housing Loan	1989/90	200,000		5.60%	254,617	528,097
(K) Property Acquisition	1994/95	1,362,500		5.60%		1,362,500
(L) General Fund Advance	1995/96	3,059,414		5.60%	834,063	868,264
Total						68,121,718
This Page						

Purpose of Indebtedness:

- (A) Street Improvements
- (B) Drainage Improvements
- (C) Blufftop Park Purchase
- (D) Land Sold by City to Agency
- (E) Land Sold by City to Agency
- (F) Land Sold by City to Agency

F12.59

- (G) Land Sold by City to Agency
- (H) Land Sold by City to Agency
- (I) Sewer Improvements
- (J) Capital Improvements
- (K) Property Acquisition
- (L) General and Administrative

STATEMENT OF INDEBTEDNESS - FISCAL YEAR INDEBTEDNESS
FILED FOR THE 2007-2008 TAX YEAR
THE REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH
MERGED PROJECT AREA

Form A
Page 3 of 3

E12.60

For Indebtedness Entered Into as of June 30, 2007

Debt Identification	Original Data				Current	
	Date	Principal	Term	Interest Rate	Total Interest	Principal/Interest Due During Tax Year
(A) Land Sale Emerald Cove	1988/89	1,740,834		5.60%	2,046,590	4,545,436
(B) Deferred Developer's Fees	1989/90	358,882		5.60%	534,057	631,539
(C) Mayer Loan	1990/91	4,073,156			655,889	8,197,516
(D) ERAF Low Income Housing Loan	1992/93	517,027	10 yrs.			517,027
(E) ERAF Low Income Housing Loan	1993/94	214,286	10 Yrs.			214,286
(F)						
(G) Section 108 Loan	2000/01	6,000,000		7.70%	5,443,600	7,444,904
(H) 2002 Tax Allocation Refunding Bonds	2002/03	20,900,000			11,592,171	25,652,183
(I) Low & Moderate Income Set-Aside	1992/93	N/A	Open			3,101,410
(J) 1999 Tax Allocation Refunding Bonds	1998/99	10,835,000	26 Yrs	3-5.05%	7,036,448	11,750,984
Sub Total						736,414
This Page						6,028,368
Total Forward						93,888,228
From All Other Pages						80,783,539
Totals,						174,671,767
Fiscal Year Indebtedness						6,028,368

Purpose of Indebtedness:

- (A) Land Sale from the City to Emerald Cove
- (B) Deferred Fees - Emerald Cove
- (C) Relocate Mobile Home Park
- (D) Loan for Payment of ERAF
- (E) Loan for Payment of ERAF

- (F) Federal Loan for Capital Improvements
- (G) Defeasance of a final portion of the HBFFA Advance
- (H) Defeasance of a final portion of the HBFFA Advance
- (I) Low & Moderate Income Set-Aside
- (J) Defeasance of a portion of the HBFFA Advance

RECONCILIATION STATEMENT - CHANGES IN INDEBTEDNESS Redevelopment Agency of the City of Huntington Beach Merged Project Area

Reconciliation Dates: From July 1, 2006 To June 30, 2007

Tax year 2007-08

Debt Identification:		A		B		C		D		E		F
SOI, page and line:	Brief Description	Outstanding Debt All Beginning Indebtedness		Adjustments Increases (Attached Explanation)		Decreases (Attached Explanation)		Amounts Paid Against Indebtedness, from:		Remaining Balance (A+B-C-D-E)		
								Tax Increment		Other Funds		
Pg. 1 Pg. 1												
Line A Line A	General Fund Advance	899,427		33,998				33,998				899,427
Pg. 1 Pg. 1												
Line B Line B	General Fund Advance	484,403		18,310				18,310				484,403
Pg. 1 Pg. 1												
Line C Line C	General Fund Advance	1,832,972		69,286				69,286				1,832,972
Pg. 1 Pg. 1												
Line D Line D	General Fund Advance	2,947,005		111,397				111,397				2,947,005
Pg. 1 Pg. 1												
Line E Line E	General Fund Advance	191,363		7,234				7,234				191,363
Pg. 1 Pg. 1												
Line F Line F	General Fund Advance	2,232,141		84,375				84,375				2,232,141
Pg. 1 Pg. 1												
Line G Line G	General Fund Advance	333,488		12,606				12,606				333,488
Pg. 1 Pg. 1												
Line H Line H	General Fund Advance	113,037		4,273				4,273				113,037
Pg. 1 Pg. 1												
Line I Line I	General Fund Advance	91,786		3,470				3,470				91,786
Pg. 1 Pg. 1												
Line J Line J	General Fund Advance	116,183		4,392				4,392				116,183
Pg. 1 Pg. 1												
Line K Line K	Water Fund Advance	445,428		16,832								462,260
Pg. 1 Pg. 1												
Line L Line L	Water Fund Advance	2,850,056		107,697								2,957,753
Pg. 1 Pg. 1												
Line M Line M	Gas Tax Advance	-										-
TOTAL THIS PAGE		12,537,289		473,870				349,341				12,661,818

RECONCILIATION STATEMENT - CHANGES IN INDEBTEDNESS
 Redevelopment Agency of the City of Huntington Beach
 Merged Project Area

Reconciliation Dates: From July 1, 2006 To June 30, 2007

Tax year 2007-08

Debt Identification:			A		B		C		D		E		F
SOI, page and line:			Description		Outstanding Debt All Beginning Indebtedness		Adjustments Increases (Attached Explanation)		Decreases (Attached Explanation)		Amounts Paid Against Indebtedness, from:		Remaining Balance (A+B-C-D-E)
Prior Yr	Current Yr												
Pg. 2	Pg. 2												
Line A	Line A		Drainage Fund Advance		531,700		20,098						551,798
Pg. 2	Pg. 2												
Line B	Line B		General Fund Blufftop Advance		22,317		844						22,317
Pg. 2	Pg. 2												
Line C	Line C		Land Sales		857,246		32,404						823,683
Pg. 2	Pg. 2												
Line D	Line D		Land Sales		2,596,625		98,152						2,494,960
Pg. 2	Pg. 2												
Line E	Line E		Land Sales		54,682,371		2,066,994						52,541,423
Pg. 2	Pg. 2												
Line F	Line F		Land Sales		4,257,461		160,932						4,090,771
Pg. 2	Pg. 2												
Line G	Line G		Land Sales		4,796,748		181,317						4,608,944
Pg. 2	Pg. 2												
Line H	Line H		Sewer Fund Advance		220,622		8,340						228,962
Pg. 2	Pg. 2												
Line I	Line I		Capital Fund Advance		508,862		19,235						528,097
Pg. 2	Pg. 2												
Line J	Line J		Low Income Housing - Property Acquisition		1,362,500								1,362,500
Pg. 2	Pg. 2												
Line K	Line K		General Fund Advance		868,263		32,820						868,263
Pg. 2	Pg. 2												
Line L	Line L		Land Sale Emerald Cove		4,379,877		165,559						4,545,436
Pg. 2	Pg. 2												
Line M	Line M		Deferred Developer's Fees		608,536		23,003						631,539
Pg. 2	Pg. 2												
TOTAL THIS PAGE					75,693,128		2,809,698		-		5,204,133		73,298,693

RECONCILIATION STATEMENT - CHANGES IN INDEBTEDNESS
 Redevelopment Agency of the City of Huntington Beach
 Merged Project Area

Reconciliation Dates: From July 1, 2006 To June 30, 2007

Tax year 2007-08

Debt Identification:				A		B		C		D		E		F
SOI, page and line:		Brief Description		Outstanding Debt All Beginning Indebtedness		Adjustments Increases (Attached Explanation)		Decreases (Attached Explanation)		Amounts Paid Against Indebtedness, from:		Remaining Balance (A+B-C-D-E)		
Prior Yr	Current Yr									Tax Increment		Other Funds		
Pg. 3	Pg. 3													
Line A	Line A	Section 108 Loan		8,035,368						590,464				7,444,904
Pg. 4	Pg. 3													
Line A	Line B	Mayer Loan		10,083,074		579,487				2,465,045				8,197,516
Pg. 4	Pg. 3	Low and Moderate Income Loan												
Line B	Line C	ERAF		517,027										517,027
Pg. 4	Pg. 3	Low and Moderate Income Loan												
Line C	Line D	ERAF		214,286										214,286
Pg. 4	Pg. 3													
Line E	Line E	2002 Tax Allocation Refund Bond		27,252,262						1,438,226		161,854		25,652,182
Pg. 4	Pg. 3													
Line G	Line F	Low & Moderate Income Set-Aside		36,704,958		1,330,805				3,101,410				34,934,353
Pg. 4	Pg. 3													
Line H	Line G	1999 Tax Allocation Refund Bond		12,487,398						736,414				11,750,984
Pg. 4	Pg. 3													
Line	Line													-
Pg. 4	Pg. 3													-
Line	Line													-
Pg. 4	Pg. 3													-
Line	Line													-
Pg. 4	Pg. 3													-
Line	Line													-
Pg. 4	Pg. 3													-
Line	Line													-
TOTAL THIS PAGE				96,294,373		1,910,292				8,331,559		161,854		88,711,252

RECONCILIATION STATEMENT - CHANGES IN INDEBTEDNESS Redevelopment Agency of the City of Huntington Beach Merged Project Area Reconciliation Dates: From July 1, 2006 To June 30, 2007

E12.64

Tax year 2007-08

Debt Identification:		A		B		C		D		E		F
SOI, page and line:		Description		Outstanding Debt All Beginning Indebtedness		Adjustments Increases (Attached Explanation)		Decreases (Attached Explanation)		Amounts Paid Against Indebtedness, from: Tax Increment Other Funds		Remaining Balance (A+B-C-D-E)
Prior Yr.	Current Yr.											
Pg. 3	Pg. 4											
Line B	Line A	Pass Through Agreements				1,125,666				1,125,666		
Pg.	Pg. 4											
Line	Line B	Arbitrage				201,923				201,923		
Pg. New	Pg. 4											
Line New	Line C	Interest Expense				80,508				80,508		
Pg. New	Pg.											
Line New	Line	Admin Expenses				446,589				446,589		
Pg. New	Pg.											
Line New	Line											
Pg.	Pg.											
Line	Line											
Pg.	Pg.											
Line	Line											
Pg.	Pg.											
Line	Line											
TOTAL THIS PAGE						1,850,363				1,850,363		
TOTALS FORWARD				183,524,790		5,193,860				13,885,033		174,671,763
GRAND TOTALS				183,524,790		7,044,223				15,735,396		174,671,763

NOTE: This form is to reconcile the previous Statement of Indebtedness to the current one being filed. However, since the reconciliation period is limited by law to a July 1 - June 30, fiscal year period, only those items included on the SOI Form A is to be included on this document. To assist in following each item of Indebtedness from one SOI to the next, use page and line number references form each SOI that the item of Indebtedness is listed on. If the Indebtedness is new to this fiscal year, enter "new" in the "Prior Yr." page and line columns. Column F must equal the current SOI, Form A Total Outstanding Debt column.

Adjustments

The Redevelopment Agency of the City of Huntington Beach
Adjustments of Debt
Merged Project Area
Tax Year 2007-08

Page 1, Line A-L, Column A
Increase for accrued interest

Page 2, Line A-I and K-M, Column A
Increase for accrued interest

Page 3, Line B and F, Column A
Increase for accrued interest

Page 3, Line F

Total Debt Less Low Income Housing

	139,737,413
Divide	80%
	174,671,766
X	20%
	34,934,353
	36,704,958
	<u>(1,770,605)</u>
	<u>3,101,410</u>
	<u><u>1,330,805</u></u>

Low Income Housing Obligation
Beginning Balance
Adjustment Required
Current Year LIH Set-Aside
Adjustment

STATEMENT OF INDEBTEDNESS - CONSOLIDATED
FILED FOR THE 2007-08 TAX YEAR

REDEVELOPMENT AGENCY FOR THE CITY OF HUNTINGTON BEACH
SOUTHEAST COASTAL PROJECT AREA

Balance Carried Forward From:		Line	Current	
			Total Outstanding Debt	Principal/Interest Due During Tax Year
Fiscal Period - Totals	(From Form A, Page 1 Totals)	(1)	9,140,729	
(Optional)				
Post Fiscal Period - Totals	(From Form B Totals)	(2)		
Grand				
Totals		(3)	9,140,729	
Available Revenues				
From Calculation of Available Revenues, Line 7		(4)	\$992,871	
Net				
Requirement		(5)	8,147,858	

Consolidate on this form all of the data contained on Form A and B (including supplemental pages). Form A is to include all indebtedness entered into as of June 30 of the Fiscal Year. Form B maybe filed at the option of the agency, and is to include indebtedness entered into post June 30 of the Fiscal Year, pursuant to Health and Safety Code Section 33675(c)(2). This is optional for each agency and is not a requirement for filing the Statement of Indebtedness. The Reconciliation Statement is to include Indebtedness form Form A only.

Certification of Chief Financial Officer:
Pursuant to Section 33675(b) of the Health and Safety Code,
I hereby certify that the above is a true and accurate Statement
of indebtedness for the above named agency.

Dan T. Villella, CPA Finance Director
Name Title
 Date 9/17/17
Signature Date

REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH
Southeast Coastal Project Area
TAX YEAR 2007-08
RECONCILIATION DATES: JULY 1, 2006 TO JUNE 30, 2007

1. Beginning Balance, Available Revenues (See Instructions)	\$760,473
2. Tax Increment Revenues - Gross All Tax Increment Revenues, to include any Tax Increment passed through to other local taxing agencies.	251,176
3. All other Available Revenues Received (See Instructions)	\$0
4. Revenues from any other source, included in Column E of the Reconciliation Statement, but not included in (1- 3) above	31,457
5. Sum of Lines 1 through 4	<u>\$1,043,106</u>
6. Total amounts paid against indebtedness in previous year.(D + E on Reconciliation Statement)	50,235
7. Available Revenues, End of Year (5 - 6) FORWARD THIS AMOUNT TO STATEMENT OF INDEBTEDNESS, COVER PAGE, LINE 4	<u><u>\$992,871</u></u>

NOTES

Tax Increment Revenues:

The only amount(s) to be excluded as Tax Increment Revenue are any amounts passed through to other local taxing agencies pursuant to Health and Safety Code Section 33676. Tax Increment Revenue set- aside in the Low and Moderate Income Housing Fund will be washed in the above calculation, and therefor omitted from Available Revenues at year end.

Item 4. above:

This represents my payments from any source other than tax Increment OR available revenues. For instance, an agency funds a project with a bond issue. the previous SOI included a Disposition Development Agreement (DDA) which was fully satisfied with these bond proceeds. The DDA would be shown on the Reconciliation Statement as fully repaid under the "other" column (Col E), but with funds that were neither tax Increment, nor "Available Revenues" as defined. The amounts used to satisfy this DDA would be included on line 4 above in order to accurately determine ending "Available Revenues."

STATEMENT OF INDEBTEDNESS - FISCAL YEAR INDEBTEDNESS FILED FOR THE 2007-2008 TAX YEAR

Form A

E12.68

THE REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH Southeast Coastal Project Area

For Indebtedness Entered Into as of June 30, 2007

Tax year 2007-08

Debt Identification	Original Data				Current	
	Date	Principal	Term	Interest Rate	Total Interest	Principal/Interest Due During Tax Year
(A) Loan from Merged Project Area	2002/03	302,489		N/A		302,489
(B) Capital Improvement Program	2002/03	6,505,000		N/A		6,505,000
(C) Advance General Fund	2002/03	218,460		N/A		218,460
(D) Low Income Housing Set-Aside	2002/03	1,828,146		N/A		1,828,146
(E) Capital Improvement Project	2004/05	286,634		N/A		286,634
(F)						
(G)						
(H)						
(I)						
(J)						
Sub Total						
This Page						
Total Forward						
From All Other Pages						
Totals,						
Fiscal Year Indebtedness						

Purpose of Indebtedness:

- (A) Pre-Formation Costs
- (B) General Fund Loan for Improvement Capital Projects
- (C) Advances from General Fund - Operating Budget
- (D) Low Income Set-aside
- (E) Active projects funded out of General Fund loan
- (F)
- (G)
- (H)
- (I)
- (J)

RECONCILIATION STATEMENT - CHANGES IN INDEBTEDNESS

Redevelopment Agency of the City of Huntington Beach
Southeast Coastal Project Area

Reconciliation Dates: From July 1, 2006 To June 30, 2007

Tax year 2007-2008

Debt Identification:				A	B	C		D	E	F
SOI, page and line:		Brief Description		Outstanding Debt All Beginning Indebtedness	Adjustments Increases (Attached Explanation)	Decreases (Attached Explanation)		Amounts Paid Against Indebtedness, from:		Remaining Balance (A+B-C-D-E)
Prior Yr.	Current Yr.							Tax Increment	Other Funds	
Pg. 1	Pg. 1	Line A	Line A							
		Pg. 1	Pg. 1	Loan from Merged Project Area	302,489					302,489
		Line B	Line B	Capital Improvement Program	6,505,000					6,505,000
		Pg. 1	Pg. 1	Advance General Fund	210,503	7,957				218,460
		Line C	Line C	Capital Improv. Projects (active)	276,194	10,440				286,634
		Pg. 1	Pg. 1							
		Line D	Line D							
		Pg. 1	Pg. 1							
		Line E	Line E							
		Pg. 1	Pg. 1							
		Line F	Line F							
		Pg. 1	Pg. 1							
		Line G	Line G							
		Pg. 1	Pg. 1							
		Line H	Line H							
		Pg. 1	Pg. 1							
		Line I	Line I							
		Pg. 1	Pg. 1							
		Line J	Line J							
		Pg. 1	Pg. 1							
		Line K	Line K							
		Pg. 1	Pg. 1							
		Line L	Line L							
		Pg. 1	Pg. 1							
		Line M	Line M							
		Pg. 1	Pg. 1							
		Line N	Line N							
		Pg. 1	Pg. 1							
		Line O	Line O							
		Pg. 1	Pg. 1							
		Line P	Line P							
		Pg. 1	Pg. 1							
		Line Q	Line Q							
		Pg. 1	Pg. 1							
		Line R	Line R							
		Pg. 1	Pg. 1							
		Line S	Line S							
		Pg. 1	Pg. 1							
		Line T	Line T							
		Pg. 1	Pg. 1							
		Line U	Line U							
		Pg. 1	Pg. 1							
		Line V	Line V							
		Pg. 1	Pg. 1							
		Line W	Line W							
		Pg. 1	Pg. 1							
		Line X	Line X							
		Pg. 1	Pg. 1							
		Line Y	Line Y							
		Pg. 1	Pg. 1							
		Line Z	Line Z							
		Pg. 1	Pg. 1							
		Line AA	Line AA							
		Pg. 1	Pg. 1							
		Line AB	Line AB							
		Pg. 1	Pg. 1							
		Line AC	Line AC							
		Pg. 1	Pg. 1							
		Line AD	Line AD							
		Pg. 1	Pg. 1							
		Line AE	Line AE							
		Pg. 1	Pg. 1							
		Line AF	Line AF							
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		Pg. 1	Pg. 1							
		Line AR	Line AR							
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		Line BC	Line BC							
		Pg. 1	Pg. 1							
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		Pg. 1	Pg. 1							
		Line BK	Line BK							
		Pg. 1	Pg. 1							
		Line BL	Line BL							
		Pg. 1	Pg. 1							
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		Line BP	Line BP							
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		Pg. 1	Pg. 1							
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		Pg. 1	Pg. 1							
		Line BZ	Line BZ							
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		Pg. 1	Pg. 1							
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		Line CC	Line CC							
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		Line CD	Line CD							
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		Pg. 1	Pg. 1							
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		Line CS	Line CS							
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		Pg. 1	Pg. 1							
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		Line DA	Line DA							
		Pg. 1	Pg. 1							
		Line DB	Line DB							
		Pg. 1	Pg. 1							
		Line DC	Line DC							
		Pg. 1	Pg. 1							
		Line DD	Line DD							
		Pg. 1</								

Adjustments

The Redevelopment Agency of the City of Huntington Beach
Adjustments of Debt
Southeast Coastal Project Area

Page 1, Line C & D

Increase for accrued interest

Page 1, Line E

Increase for accrued interest

Page, Line E

Total Debt Less Low Income Housing

Divide 7,312,583
80%

9,140,729

X 20%

Low Income Housing Obligation (Line E, Column F)

1,828,146

Beginning Balance (Line E Column A)

1,777,326

Adjustment Required

50,820

Current Year LIH Set-Aside (Line E, Column D)

50,235

Adjustment (Line E, Column B)

101,055

E12 . 71

ATTACHMENT #2

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2006-2007 STATE CONTROLLER'S REPORT (Housing Activity)

- California Department of Housing and Community
Development Redevelopment Agency Annual Housing
Activity Report Cover page
- Project Area Reports (Schedule HCD-A)
- Agency-wide Activity (Schedule HCD-C)
- General Housing Unit Production (Schedules HCD-D1,
HCD-D5, HCD-D7, and HCD-E)
- Component Unit Financial Report (CUFR) with Report of
Independent Certified Public Accountants for the Year
Ended September 30, 2007

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CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
REDEVELOPMENT AGENCY ANNUAL HOUSING ACTIVITY REPORT

FY ENDING: September / 30 / 2007

Agency Name and Address:

Redevelopment Agency of the City of Huntington Beach

2000 Main Street

Huntington Beach, CA 92648

County of Jurisdiction:

Orange

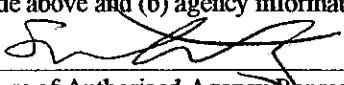
Health & Safety Code Section 33080.1 requires agencies (RDAs) to annually report on their Low & Moderate Income Housing Fund and housing activities for the Department of Housing and Community Development (HCD) to report on RDAs' activities in accordance with Section 33080.6.

Please answer each question below. Your answers determine how to complete the HCD report.

1. Check one of the items below to identify the Agency's status at the end of the reporting period:
☐ New (Agency formation occurred during reporting year. No financial transactions were completed).
☒ Active (Financial and/or housing transactions occurred during the reporting year)
☐ Inactive (No financial and/or housing transactions occurred during the reporting year). ONLY COMPLETE ITEM 7
☐ Dismantled (Agency adopted an ordinance and dissolved itself before start of reporting year). ONLY COMPLETE ITEM 7
2. During reporting year, how many adopted project areas existed? 2 Of these, how many were merged during year? 0
If the agency has one or more adopted project areas, complete SCHEDULE HCD-A for each project area.
If the agency has no adopted project areas, DO NOT complete SCHEDULE HCD-A (refer to next question).
3. Within an area outside of any adopted project area(s): (a) did the agency destroy or remove any dwelling units or displace any households over the reporting period, (b) does the agency intend to displace any households over the next reporting period, (c) did the agency permit the sale of any owner-occupied unit prior to the expiration of land use controls over the reporting period, and/or (d) did the agency execute a contract or agreement for the construction of any affordable units over the next two years?
☐ Yes (any question). Complete SCHEDULE HCD-B.
☒ No (all questions). DO NOT complete SCHEDULE HCD-B (refer to next question).
4. Did the agency's Low & Moderate Income Housing Fund have any assets during the reporting period?
☒ Yes. Complete SCHEDULE HCD-C.
☐ No. DO NOT complete SCHEDULE HCD-C.
5. During the reporting period, were housing units completed within a project area and/or assisted by the agency outside a project area?
☒ Yes. Complete all applicable HCD SCHEDULES D1-D7 for each housing project completed and HCD SCHEDULE E.
☐ No. DO NOT complete HCD SCHEDULES D1-D7 or HCD SCHEDULE E.
6. Specify whether method A and/or B was used to report financial and housing activity information to HCD:
☒ A. Forms. All required HCD SCHEDULES A, B, C, D1-D7, and E are attached.
☐ B. On-line (<http://www.hcd.ca.gov/rda/>) "Lock Report" date: _____ HCD SCHEDULES not required.
(lock date is shown under "Admin" Area and "Report Change History")
7. To the best of my knowledge: (a) the representations made above and (b) agency information reported are correct.

March 3, 2008

Date


Signature of Authorized Agency Representative

Deputy Executive Director

Title

(714)536-5542

Telephone Number

- IF NOT REQUIRED TO REPORT, SUBMIT ONLY A PAPER COPY OF THIS PAGE.
- IF REQUIRED TO REPORT, AND REPORTING BY USING PAPER FORMS (IN PLACE OF REPORTING ON-LINE), SUBMIT THIS PAGE AND ALL APPLICABLE HCD FORMS (SCHEDULES A-E) WITH A COPY OF AGENCY'S AUDIT.
- IF REPORTING ON-LINE, PRINT AND SUBMIT "CONFIRMATION LETTER" UPON LOCKING REPORT
- MAIL A COPY OF (a) CONFIRMATION LETTER (IF HCD REPORT WAS ELECTRONICALLY FILED) OR (b) COMPLETED FORMS AND (c) AUDIT REPORT TO BOTH HCD AND THE SCO.

Department of Housing & Community Development
Division of Housing Policy
Redevelopment Section
1800 3rd Street, Suite 430
Sacramento, CA 95814

The State Controller
Division of Accounting and Reporting
Local Government Reporting Section
3301 C Street, Suite 500
Sacramento, CA 95816

SCHEDULE HCD-A
Inside Project Area Activity

for Fiscal Year that Ended 09/30/2007

Agency Name: Redevelopment Agency of the City of Huntington Beach Project Area Name: Huntington Beach Merged Redevelopment Project

Preparer's Name, Title: Terri King, Assistant Project Manager Preparer's E-Mail Address: tking@surfcity-hb.org

Preparer's Telephone No: (714) 960-8831 Preparer's Facsimile No: (714) 375-5087

GENERAL INFORMATION

1. Project Area Information

- a. 1. Year 1st plan for project area was adopted: 1982 (Main Pier, Oakview, Yorktown-Lake and Talbert-Beach)
1984 (Huntington Center) All areas merged in 1996
2. Year that plan was last amended (if applicable): 2002
3. Was plan amended after 2001 to extend time limits per Senate Bill 211 (Chapter 741, Statutes of 2001)? Yes X No
4. Current expiration of plan: 2024
- b. If project area name has changed, give previous name(s) or number: n/a
- c. Year(s) of any mergers of the project area: 1996-merger of five project areas
Identify former project areas that merged: The five project areas merged in 1996 were Main Pier, Oakview, Yorktown-Lake, Talbert-Beach and Huntington Center
- d. Year(s) project area plan was amended involving real property that either:
 - (1) Added property to plan: n/a
 - (2) Removed property from plan: n/a

2. Affordable Housing Replacement and/or Inclusionary or Production Requirements (Section 33413).

Pre-1976 project areas not subsequently amended after 1975: Pursuant to Section 33413(d), only Section 33413(a) replacement requirements apply to dwelling units destroyed or removed after 1995. The Agency can choose to apply all or part of Section 33413 to a project area plan adopted before 1976. If the agency has elected to apply all or part of Section 33413, provide the date of the resolution and the applicable Section 33413 requirements addressed in the scope of the resolution.

Date: n/a Resolution Scope (applicable Section 33413 requirements): n/a

Post-1975 project areas and geographic areas added by amendment after 1975 to pre-1976 project areas: Both replacement and inclusionary or production requirements of Section 33413 apply.

NOTE: Amounts to report on HCD-A lines 3a(1), 3b-3f, and 3i. can be taken from what is reported to the State Controller's Office (SCO) on the Statement of Income and Expenditures as part of the Redevelopment Agency's Financial Transactions Report, except for the reclassifying of Transfers-In from Internal Funds and the reporting of Other Sources as discussed below:

Transfers-In from other internal funds: Report the amount of transferred funds on applicable HCD-A, lines 3a-j. For example, report the amount transferred from the Debt Service Fund to the Housing Fund for the deposit of the required set-aside percentage/amount by reporting gross tax increment on HCD-A, Line 3a(1) and report the Housing Fund's share of expenditures for debt service on HCD-C, Line 4c. Do not report "net" funds transferred from the Debt Service Fund on HCD-A, Line 3a(3) when reporting debt service expenditures on HCD-C, Line 4c.

Other Sources: Non-GAAP (Generally Acceptable Accounting Principles) revenues such as from land sales for those agencies using the Land Held for Resale method to record land sales should be reported on HCD-A Line 3d. Housing fund receipts for the repayment of loan principal should be included on HCD-A Line 3h.

Project Area Housing Fund Revenues and Other Sources

3. Report all revenues and other sources of funds from this project area which accrued to the Housing Fund over the reporting year. Any income related to agency-assisted housing located outside the project area(s) should be reported as "Other Revenue" on Line 3j. (of this Schedule A), if this project area is named as beneficiary in the authorizing resolution. Any other revenue sources not reported on lines 3a-3i., should also be reported on Line 3j.

Enter on Line 3a(1) the full 100% of gross Tax Increment allocated prior to applicable pass through of funds and deductions for fees (refer to Sections 33401, 33446, & 33676). Compute the required minimum percentage (%) of gross Tax Increment and enter the amount on Line 3a(2)(A) or 3a(2)(B). Next, report the amount of Tax Increment set-aside before any exemption and/or deferral (if amount set-aside is less than required minimum (%), explain the difference). If any amount of Tax Increment was exempted or deferred, in addition to completing lines 3a(4) and/or 3a(5), complete Line 4 and/or Line 5. To determine the amount of Tax Increment deposited to the Housing Fund [Line 3a(6)], subtract allowable amounts exempted [Line 3a(4)] or deferred [Line 3a(5)] from the actual amount allocated to the Housing Fund [Line 3a(3)].

a. Tax Increment:

(1) 100% of Gross Allocation: \$ 15,012,947(2) Calculate only 1 set-aside amount: either (A) or (B) below:(A) 20% required by 33334.2 (Line 3a(1) x 20%): \$ 3,002,589(B) 30% required by 33333.10(g) (Line 3a(1) x 30%): \$ _____
(Senate Bill 211, Chapter 741, Statutes of 2001)(3) Amount of set-aside (Line 3a(2)) allocated to Housing Fund \$ 3,002,589*

* If, pursuant to Section 33334.3(i), less than the minimum % of Gross Tax Increment (see 3a(2) above) is being allocated from this project area, identify the project area(s) contributing the difference. Explain any other reason(s):

(4) Amount Exempted [Health & Safety Code Section 33334.2]
(if there is an amount exempted, also complete question #4, next page): (\$ _____)(5) Amount Deferred [Health & Safety Code Section 33334.6]
(if there is an amount deferred, also complete question #5, next page): (\$ _____)(6) Total deposit to the Housing Fund [result of Line 3a(3) through 3a(5)]: \$ 3,002,589

b. Interest Income: \$ _____

c. Rental/Lease Income (*combine amounts separately reported to the SCO*): \$ _____

d. Sale of Real Estate: \$ _____

e. Grants (*combine amounts separately reported to the SCO*): \$ _____

f. Bond Administrative Fees: \$ _____

g. Deferral Repayments (also complete Line 5c(2) on the next page): \$ _____

h. Loan Repayments: \$ _____

i. Debt Proceeds: \$ _____

j. Other Revenue(s) [Explain and identify amount(s)]:

\$ _____
\$ _____
\$ _____

k. Total Project Area Receipts Deposited to Housing Fund (add lines 3a(6) through 3j.): \$ 3,002,589

Agency Name: Redev Agency of the City of Huntington Beach Project Area Name: Huntington Beach Merged Redev Project

Exemption(s)

4. a. If an exemption was claimed on Page 2, Line 3a(4) to deposit less than the required amount, complete the following information:

Check only one of the Health and Safety Code Sections below providing a basis for the exemption:

- ☐ Section 33334.2(a)(1): No need in community to increase/improve supply of lower or moderate income housing.
- ☐ Section 33334.2(a)(2): Less than the minimum set-aside % (20% or 30%) is sufficient to meet the need.
- ☐ Section 33334.2(a)(3): Community is making substantial effort equivalent in value to minimum set-aside % (20% or 30%) and has specific contractual obligations incurred before May 1, 1991 requiring continued use of this funding.

Note: Pursuant to Section 33334.2(a)(3)(C), this exemption expired on June 30, 1993 but contracts entered into prior to May 1, 1991 may not be subject to the exemption sunset.

- ☐ Other: Specify code section and reason(s): _____

- b. For any exemption claimed on Page 2, Line 3a(4) and/or Line 4a above, identify:

Date that initial (1st) finding was adopted: ____/____/____ Resolution # ____ Date sent to HCD: ____/____/____
mo day yr mo day yr

Adoption date of reporting year finding: ____/____/____ Resolution # ____ Date sent to HCD: ____/____/____
mo day yr mo day yr

Deferral(s)

5. a. Specify the authority for deferring any set-aside on Line 3a(5). Check only one Health and Safety Code Section boxes:

- ☐ Section 33334.6(d): Applicable to project areas approved before 1986 in which the required resolution was sent to HCD before September 1986 regarding needing tax increment to meet existing obligations. Existing obligations can include those incurred after 1985, if net proceeds were used to refinance pre-1986 listed obligations.

Note: The deferral previously authorized by Section 33334.6(e) expired. It was only allowable in each fiscal year prior to July 1, 1996 with certain restrictions.

- ☐ Other: Specify code Section and reason: _____

- b. For any deferral claimed on Page 2, Line 3a(5) and/or Line 5a above, identify:

Date that initial (1st) finding was adopted: ____/____/____ Resolution # ____ Date sent to HCD: ____/____/____
mo day yr mo day yr

Adoption date of reporting year finding: ____/____/____ Resolution # ____ Date sent to HCD: ____/____/____
mo day yr mo day yr

- c. A deferred set-aside pursuant to Section 33334.6(d) constitutes indebtedness to the Housing Fund. Summarize the amount(s) of set-aside deferred over the reporting year and cumulatively as of the end of the reporting year:

Fiscal Year	Amount Deferred This Reporting FY	Amount of Prior Deferrals Repaid During Reporting FY	Cumulative Amount Deferred (Net of Any Amount(s) Repaid)
(1) Last Reporting FY			\$
(2) This Reporting FY	\$	\$	\$ * *

*** The cumulative amount of deferred set-aside should also be shown on HCD-C, Line 8a.**

If the prior FY cumulative deferral shown above differs from what was reported on the last HCD report (HCD-A and HCD-C), indicate the amount of difference and the reason:

Difference: \$ _____ Reason(s): _____

Deferral(s) (continued)

5. d. Section 33334.6(g) requires any agency which defers set-asides to adopt a plan to eliminate the deficit in subsequent years. If this agency has deferred set-asides, has it adopted such a plan? Yes ☐ No ☐
- If yes, by what date is the deficit to be eliminated? / /
mo day yr
- If yes, when was the original plan adopted for the claimed deferral? / /
mo day yr
- Identify Resolution # Date Resolution sent to HCD / /
mo day yr
- When was the last amended plan adopted for the claimed deferral? / /
mo day yr
- Identify Resolution # Date Resolution sent to HCD / /
mo day yr

Actual Project Area Households Displaced and Units and Bedrooms Lost Over Reporting Year:

6. a. **Redevelopment Project Activity.** Pursuant to Sections 33080.4(a)(1) and (a)(3), report by income category the number of elderly and nonelderly households permanently displaced and the number of units and bedrooms removed or destroyed, over the reporting year, (refer to Section 33413 for unit and bedroom replacement requirements).

Project Activity	Number of Households/Units/Bedrooms				
	VL	L	M	AM	Total
Households Permanently Displaced - Elderly	0	0	0	0	0
Households Permanently Displaced - Non Elderly	0	0	0	0	0
Households Permanently Displaced -Total	0	0	0	0	0
Units Lost (Removed or Destroyed) and Required to be Replaced	0	0	0		0
Bedrooms Lost (Removed or Destroyed) and Required to be Replaced	0	0	0		0
Above Moderate Units Lost That Agency is Not Required to Replace				0	0
Above Moderate Bedrooms Lost That Agency is Not Required to Replace				0	0

- b. **Other Activity.** Pursuant to Sections 33080.4(a)(1) and (a)(3) based on activities other than the destruction or removal of dwelling units and bedrooms reported on Line 6a, report by income category the number of elderly and nonelderly households permanently displaced over the reporting year:

Other Activity	Number of Households				
	VL	L	M	AM	Total
Households Permanently Displaced - Elderly	0	0	0	0	0
Households Permanently Displaced - Non Elderly	0	0	0	0	0
Households Permanently Displaced - Total	0	0	0	0	0

- c. As required in Section 33413.5, identify, over the reporting year, each replacement housing plan required to be adopted before the permanent displacement, destruction, and/or removal of dwelling units and bedrooms impacting the households reported on lines 6a. and 6b.

Date / / Name of Agency Custodian n/a
mo day yr

Date / / Name of Agency Custodian n/a
mo day yr

Please attach a separate sheet of paper listing any additional housing plans adopted.

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Agency Name: Redev Agency of the City of Huntington Beach Project Area Name: Huntington Beach Merged Redev Project

Estimated Project Area Households to be Permanently Displaced Over Current Fiscal Year:

7. a. As required in Section 33080.4(a)(2) for a redevelopment project of the agency, estimate, over the current fiscal year, the number of elderly and nonelderly households, by income category, expected to be permanently displaced. (Note: actual displacements will be reported for the next reporting year on Line 6).

Project Activity	Number of Households				
	VL	L	M	AM	Total
Households Permanently Displaced - Elderly	0	0	0	0	0
Households Permanently Displaced - Non Elderly	0	0	0	0	0
Households Permanently Displaced - Total	0	0	0	0	0

- b. As required in Section 33413.5, for the current fiscal year, identify each replacement housing plan required to be adopted before the permanent displacement, destruction, and/or removal of dwelling units and bedrooms impacting the households reported in 7a.

Date / /
mo day yr

Name of Agency Custodian	n/a
--------------------------	-----

Date / /
mo day yr

Name of Agency Custodian	n/a
--------------------------	-----

Please attach a separate sheet of paper listing any additional housing plans adopted.

Units Developed Inside the Project Area to Fulfill Requirements of Other Project Area(s)

8. Pursuant to Section 33413(b)(2)(A)(v), agencies may choose one or more project areas to fulfill another project area's requirement to construct new or substantially rehabilitate dwelling units, provided the agency conducts a public hearing and finds, based on substantial evidence, that the aggregation of dwelling units in one or more project areas will not cause or exacerbate racial, ethnic, or economic segregation.

Were any dwelling units in this project area developed to partially or completely satisfy another project area's requirement to construct new or substantially rehabilitate dwelling units?

☒ No.

☐ Yes. Date initial finding was adopted? ____ / ____ / ____ Resolution # _____ Date sent to HCD: ____ / ____ / ____
mo day yr mo day yr

[illegible]

Agency Name: Redev Agency of the City of Huntington Beach Project Area Name: Huntington Beach Merged Redev Project

Sales of Owner-Occupied Units Inside the Project Area Prior to the Expiration of Land Use Controls

9. Section 33413(c)(2)(A) specifies that pursuant to an adopted program, which includes but is not limited to an equity sharing program, agencies may permit the sale of owner-occupied units prior to the expiration of the period of the land use controls established by the agency. Agencies must deposit sale proceeds into the Low and Moderate Income Housing Fund and within three (3) years from the date the unit was sold, expend funds to make another unit equal in affordability, at the same income level, to the unit sold.

- a. Sales. Did the agency permit the sale of any owner-occupied units during the reporting year?

☒ No

☐ Yes

\$	← Total Proceeds From Sales Over Reporting Year	Number of Units			
SALES		VL	L	M	Total
Units Sold Over Reporting Year					n/a

- b. Equal Units. Were reporting year funds spent to make units equal in affordability to units sold over the last three reporting years?

☒ No

☐ Yes

\$	← Total LMIHF Spent On Equal Units Over Reporting Year	Number of Units			
SALES		VL	L	M	Total
Units Made Equal This Reporting Yr to Units Sold Over This Reporting Yr					n/a
Units Made Equal This Reporting Yr to Units Sold One Reporting Yr Ago					n/a
Units Made Equal This Reporting Yr to Units Sold Two Reporting Yrs Ago					n/a
Units Made Equal This Reporting Yr to Units Sold Three Reporting Yrs Ago					n/a

Affordable Units to be Constructed Inside the Project Area Within Two Years

10. Pursuant to Section 33080.4(a)(10), report the number of very low, low, and moderate income units to be financed by any federal, state, local, or private source in order for construction to be completed within two years from the date of the agreement or contract executed over the reporting year. Identify the project and/or contractor, date of the executed agreement or contract, and estimated completion date. Specify the amount reported as an encumbrance on HCD-C, Line 6a. and/or any applicable amount designated on HCD-C, Line 7a. such as for capital outlay or budgeted funds intended to be encumbered for project use within two years from the reporting year's agreement or contract date.

DO NOT REPORT ANY UNITS ON THIS SCHEDULE A THAT ARE REPORTED ON OTHER HCD-As, B, OR Ds.

<u>Col A</u> Name of Project and/or Contractor	<u>Col B</u> Agreement Execution Date	<u>Col C</u> Estimated Completion Date (w/in 2 yrs of Col B)	<u>Col D</u> Sch C Amount Encumbered [Line 6a]	<u>Col E</u> Sch C Amount Designated [Line 7a]	VL	L	M	Total
n/a	n/a	n/a	\$0	\$0	0	0	0	0
			\$	\$				
			\$	\$				

Please attach a separate sheet of paper to list additional information.

SCHEDULE HCD-A
Inside Project Area Activity

for Fiscal Year that Ended 09/30/2007

Agency Name: Redevelopment Agency of the City of Huntington Beach

Project Area Name: Southeast Coastal Redevelopment Project

Preparer's Name, Title: Terri King, Assistant Project Manager Preparer's E-Mail Address: tking@surfcity-hb.org

Preparer's Telephone No: (714) 960-8831 Preparer's Facsimile No: (714) 375-5087

GENERAL INFORMATION

1. Project Area Information

- a.
 1. Year 1st plan for project area was adopted: 2002
 2. Year that plan was last amended (if applicable): n/a
 3. Was plan amended after 2001 to extend time limits per Senate Bill 211 (Chapter 741, Statutes of 2001)? Yes ☐ No ☒
 4. Current expiration of plan: 2032
- b. If project area name has changed, give previous name(s) or number: n/a
- c. Year(s) of any mergers of the project area: n/a
Identify former project areas that merged: n/a
- d. Year(s) project area plan was amended involving real property that either:
 - (1) Added property to plan: n/a
 - (2) Removed property from plan: n/a

2. Affordable Housing Replacement and/or Inclusionary or Production Requirements (Section 33413).

Pre-1976 project areas not subsequently amended after 1975: Pursuant to Section 33413(d), only Section 33413(a) replacement requirements apply to dwelling units destroyed or removed after 1995. The Agency can choose to apply all or part of Section 33413 to a project area plan adopted before 1976. If the agency has elected to apply all or part of Section 33413, provide the date of the resolution and the applicable Section 33413 requirements addressed in the scope of the resolution.

Date: n/a Resolution Scope (applicable Section 33413 requirements): n/a

Post-1975 project areas and geographic areas added by amendment after 1975 to pre-1976 project areas: Both replacement and inclusionary or production requirements of Section 33413 apply.

NOTE:

Amounts to report on HCD-A lines 3a(1), 3b-3f, and 3i. can be taken from what is reported to the State Controller's Office (SCO) on the Statement of Income and Expenditures as part of the Redevelopment Agency's Financial Transactions Report, except for the reclassifying of Transfers-In from Internal Funds and the reporting of Other Sources as discussed below:

Transfers-In from other internal funds: Report the amount of transferred funds on applicable HCD-A, lines 3a-j. For example, report the amount transferred from the Debt Service Fund to the Housing Fund for the deposit of the required set-aside percentage/amount by reporting gross tax increment on HCD-A, Line 3a(1) and report the Housing Fund's share of expenditures for debt service on HCD-C, Line 4c. Do not report "net" funds transferred from the Debt Service Fund on HCD-A, Line 3a(3) when reporting debt service expenditures on HCD-C, Line 4c.

Other Sources: Non-GAAP (Generally Acceptable Accounting Principles) revenues such as from land sales for those agencies using the Land Held for Resale method to record land sales should be reported on HCD-A Line 3d. Housing fund receipts for the repayment of loan principal should be included on HCD-A Line 3h.

Project Area Housing Fund Revenues and Other Sources

3. Report all revenues and other sources of funds from this project area which accrued to the Housing Fund over the reporting year. Any income related to agency-assisted housing located outside the project area(s) should be reported as "Other Revenue" on Line 3j. (of this Schedule A), if this project area is named as beneficiary in the authorizing resolution. Any other revenue sources not reported on lines 3a.-3i., should also be reported on Line 3j.

Enter on Line 3a(1) the full 100% of gross Tax Increment allocated prior to applicable pass through of funds and deductions for fees (refer to Sections 33401, 33446, & 33676). Compute the required minimum percentage (%) of gross Tax Increment and enter the amount on Line 3a(2)(A) or 3a(2)(B). Next, report the amount of Tax Increment set-aside before any exemption and/or deferral (if amount set-aside is less than required minimum (%), explain the difference). If any amount of Tax Increment was exempted or deferred, in addition to completing lines 3a(4) and/or 3a(5), complete Line 4 and/or Line 5. To determine the amount of Tax Increment deposited to the Housing Fund [Line 3a(6)], subtract allowable amounts exempted [Line 3a(4)] or deferred [Line 3a(5)] from the actual amount allocated to the Housing Fund [Line 3a(3)].

a. Tax Increment:

(1) 100% of Gross Allocation: \$ 296,183

(2) Calculate only 1 set-aside amount: either (A) or (B) below:

(A) 20% required by 33334.2 (Line 3a(1) x 20%): \$ 59,237

(B) 30% required by 33333.10(g) (Line 3a(1) x 30%): \$ _____
(Senate Bill 211, Chapter 741, Statutes of 2001)

(3) Amount of set-aside (Line 3a(2)) allocated to Housing Fund \$ 59,237*

* If, pursuant to Section 33334.3(i), less than the minimum % of Gross Tax Increment (see 3a(2) above) is being allocated from this project area, identify the project area(s) contributing the difference. Explain any other reason(s):

(4) Amount Exempted [Health & Safety Code Section 33334.2]
(if there is an amount exempted, also complete question #4, next page): (\$ _____)

(5) Amount Deferred [Health & Safety Code Section 33334.6]
(if there is an amount deferred, also complete question #5, next page): (\$ _____)

(6) Total deposit to the Housing Fund [result of Line 3a(3) through 3a(5)]: \$ 59,237

b. Interest Income: \$ _____

c. Rental/Lease Income (*combine amounts separately reported to the SCO*): \$ _____

d. Sale of Real Estate: \$ _____

e. Grants (*combine amounts separately reported to the SCO*): \$ _____

f. Bond Administrative Fees: \$ _____

g. Deferral Repayments (also complete Line 5c(2) on the next page): \$ _____

h. Loan Repayments: \$ _____

i. Debt Proceeds: \$ _____

j. Other Revenue(s) [Explain and identify amount(s)]:

k. Total Project Area Receipts Deposited to Housing Fund (add lines 3a(6). through 3j.): \$ 59,237

Agency Name: Redevelopment Agency of the City of Huntington Beach Project Area Name: Southeast Coastal Redev Project

Exemption(s)

4. a. If an exemption was claimed on Page 2, Line 3a(4) to deposit less than the required amount, complete the following information:

Check only one of the Health and Safety Code Sections below providing a basis for the exemption:

- ☐ Section 33334.2(a)(1): No need in community to increase/improve supply of lower or moderate income housing.
- ☐ Section 33334.2(a)(2): Less than the minimum set-aside % (20% or 30%) is sufficient to meet the need.
- ☐ Section 33334.2(a)(3): Community is making substantial effort equivalent in value to minimum set-aside % (20% or 30%) and has specific contractual obligations incurred before May 1, 1991 requiring continued use of this funding.

Note: Pursuant to Section 33334.2(a)(3)(C), this exemption expired on June 30, 1993 but contracts entered into prior to May 1, 1991 may not be subject to the exemption sunset.

☐ Other: Specify code section and reason(s): _____

b. For any exemption claimed on Page 2, Line 3a(4) and/or Line 4a above, identify:

Date that initial (1st) finding was adopted: ____/____/____ Resolution # _____ Date sent to HCD: ____/____/____
mo day yr mo day yr

Adoption date of reporting year finding: ____/____/____ Resolution # _____ Date sent to HCD: ____/____/____
mo day yr mo day yr

Deferral(s)

5. a. Specify the authority for deferring any set-aside on Line 3a(5). Check only one Health and Safety Code Section boxes:

- ☐ Section 33334.6(d): Applicable to project areas approved before 1986 in which the required resolution was sent to HCD before September 1986 regarding needing tax increment to meet existing obligations. Existing obligations can include those incurred after 1985, if net proceeds were used to refinance pre-1986 listed obligations.

Note: The deferral previously authorized by Section 33334.6(e) expired. It was only allowable in each fiscal year prior to July 1, 1996 with certain restrictions.

☐ Other: Specify code Section and reason: _____

b. For any deferral claimed on Page 2, Line 3a(5) and/or Line 5a above, identify:

Date that initial (1st) finding was adopted: ____/____/____ Resolution # _____ Date sent to HCD: ____/____/____
mo day yr mo day yr

Adoption date of reporting year finding: ____/____/____ Resolution # _____ Date sent to HCD: ____/____/____
mo day yr mo day yr

c. A deferred set-aside pursuant to Section 33334.6(d) constitutes indebtedness to the Housing Fund. Summarize the amount(s) of set-aside deferred over the reporting year and cumulatively as of the end of the reporting year:

Fiscal Year	Amount <u>Deferred</u> <u>This Reporting FY</u>	Amount of Prior Deferrals <u>Repaid</u> <u>During Reporting FY</u>	Cumulative Amount Deferred (Net of Any Amount(s) Repaid)
(1) Last Reporting FY			\$
(2) This Reporting FY	\$	\$	\$ * *

*** The cumulative amount of deferred set-aside should also be shown on HCD-C, Line 8a.**

If the prior FY cumulative deferral shown above differs from what was reported on the last HCD report (HCD-A and HCD-C), indicate the amount of difference and the reason:

Difference: \$ _____ Reason(s): _____

Deferral(s) (continued)

5. d. Section 33334.6(g) requires any agency which defers set-asides to adopt a plan to eliminate the deficit in subsequent years. If this agency has deferred set-asides, has it adopted such a plan? Yes ☐ No ☐
- If yes, by what date is the deficit to be eliminated? / /
mo day yr
- If yes, when was the original plan adopted for the claimed deferral? / /
mo day yr
- Identify Resolution # Date Resolution sent to HCD / /
mo day yr
- When was the last amended plan adopted for the claimed deferral? / /
mo day yr
- Identify Resolution # Date Resolution sent to HCD / /
mo day yr

Actual Project Area Households Displaced and Units and Bedrooms Lost Over Reporting Year:

6. a. **Redevelopment Project Activity.** Pursuant to Sections 33080.4(a)(1) and (a)(3), report by income category the number of elderly and nonelderly households permanently displaced and the number of units and bedrooms removed or destroyed, over the reporting year, (refer to Section 33413 for unit and bedroom replacement requirements).

Project Activity	Number of Households/Units/Bedrooms				
	VL	L	M	AM	Total
Households Permanently Displaced - Elderly	0	0	0	0	0
Households Permanently Displaced - Non Elderly	0	0	0	0	0
Households Permanently Displaced -Total	0	0	0	0	0
Units Lost (Removed or Destroyed) and Required to be Replaced	0	0	0		0
Bedrooms Lost (Removed or Destroyed) and Required to be Replaced	0	0	0		0
Above Moderate Units Lost That Agency is Not Required to Replace				0	0
Above Moderate Bedrooms Lost That Agency is Not Required to Replace				0	0

- b. **Other Activity.** Pursuant to Sections 33080.4(a)(1) and (a)(3) based on activities other than the destruction or removal of dwelling units and bedrooms reported on Line 6a, report by income category the number of elderly and nonelderly households permanently displaced over the reporting year:

Other Activity	Number of Households				
	VL	L	M	AM	Total
Households Permanently Displaced - Elderly	0	0	0	0	0
Households Permanently Displaced - Non Elderly	0	0	0	0	0
Households Permanently Displaced - Total	0	0	0	0	0

- c. As required in Section 33413.5, identify, over the reporting year, each replacement housing plan required to be adopted before the permanent displacement, destruction, and/or removal of dwelling units and bedrooms impacting the households reported on lines 6a. and 6b.

Date / / Name of Agency Custodian n/a
mo day yr

Date / / Name of Agency Custodian n/a
mo day yr

Please attach a separate sheet of paper listing any additional housing plans adopted.

Estimated Project Area Households to be Permanently Displaced Over Current Fiscal Year:

- | Project Activity | Number of Households | | | | |
|------------------------------------------------|----------------------|---|---|----|-------|
| | VL | L | M | AM | Total |
| Households Permanently Displaced - Elderly | 0 | 0 | 0 | 0 | 0 |
| Households Permanently Displaced - Non Elderly | 0 | 0 | 0 | 0 | 0 |
| Households Permanently Displaced - Total | 0 | 0 | 0 | 0 | 0 |

- Please attach a separate sheet of paper listing any additional housing plans adopted.

[illegible]

Agency Name: Redevelopment Agency of the City of Huntington Beach Project Area Name: Southeast Coastal Redev Project

Sales of Owner-Occupied Units Inside the Project Area Prior to the Expiration of Land Use Controls

9. Section 33413(c)(2)(A) specifies that pursuant to an adopted program, which includes but is not limited to an equity sharing program, agencies may permit the sale of owner-occupied units prior to the expiration of the period of the land use controls established by the agency. Agencies must deposit sale proceeds into the Low and Moderate Income Housing Fund and within three (3) years from the date the unit was sold, expend funds to make another unit equal in affordability, at the same income level, to the unit sold.

- a. Sales. Did the agency permit the sale of any owner-occupied units during the reporting year?

☒ No

☐ Yes

\$	← Total Proceeds From Sales Over Reporting Year	Number of Units			
SALES		VL	L	M	Total
Units Sold Over Reporting Year					n/a

- b. Equal Units. Were reporting year funds spent to make units equal in affordability to units sold over the last three reporting years?

☒ No

☐ Yes

\$	← Total LMIHF Spent On Equal Units Over Reporting Year	Number of Units			
SALES		VL	L	M	Total
Units Made Equal This Reporting Yr to Units Sold Over This Reporting Yr					n/a
Units Made Equal This Reporting Yr to Units Sold One Reporting Yr Ago					n/a
Units Made Equal This Reporting Yr to Units Sold Two Reporting Yrs Ago					n/a
Units Made Equal This Reporting Yr to Units Sold Three Reporting Yrs Ago					n/a

Affordable Units to be Constructed Inside the Project Area Within Two Years

10. Pursuant to Section 33080.4(a)(10), report the number of very low, low, and moderate income units to be financed by any federal, state, local, or private source in order for construction to be completed within two years from the date of the agreement or contract executed over the reporting year. Identify the project and/or contractor, date of the executed agreement or contract, and estimated completion date. Specify the amount reported as an encumbrance on HCD-C, Line 6a. and/or any applicable amount designated on HCD-C, Line 7a. such as for capital outlay or budgeted funds intended to be encumbered for project use within two years from the reporting year's agreement or contract date.

DO NOT REPORT ANY UNITS ON THIS SCHEDULE A THAT ARE REPORTED ON OTHER HCD-As, B, OR Ds.

Col A Name of Project and/or Contractor	Col B Agreement Execution Date	Col C Estimated Completion Date (w/in 2 yrs of Col B)	Col D Sch C Amount Encumbered [Line 6a]	Col E Sch C Amount Designated [Line 7a]	VL	L	M	Total
n/a	n/a	n/a	\$0	\$0	0	0	0	0
			\$	\$				
			\$	\$				

Please attach a separate sheet of paper to list additional information.

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SCHEDULE HCD-C

Agency-wide Activity

for Fiscal Year Ended 09/30/2007

Agency Name: Redevelopment Agency of the City of Huntington Beach County: Orange

Preparer's Name, Title: Terri King, Assistant Project Manager Preparer's E-Mail Address: tking@surfcity-hb.org

Preparer's Telephone No: (714) 960-8831

Preparer's Facsimile No: (714) 375-5087

Low & Moderate Income Housing Funds

Report on the "status and use of the agency's Low and Moderate Income Housing Fund." Most information reported here should be based on information reported to the State Controller.

1. **Beginning Balance** (Use "Net Resources Available" from last fiscal year report to HCD) \$ 8,236,353
 - a. If Beginning Balance requires adjustment(s), describe and provide dollar amount (positive/negative) making up total adjustment: Use < \$ > for negative amounts or amounts to be subtracted.
Prior year adjustment to agree to state controller report \$ 171,485
\$ _____
\$ _____
 - b. Adjusted Beginning Balance [Beginning Balance plus + or minus <-> Total Adjustment(s)] \$ 8,407,838
2. **Project Area(s) Receipts and Housing Fund Revenues**
 - a. **Total Project Area(s) Receipts.** Total Summed amount of HCD-Schedule A(s) (from Line 3k) \$ 3,061,826
 - b. Housing Fund Resources not reported on HCD Schedule -A(s)
Describe and Provide Dollar Amount(s) (Positive/Negative) Making Up Total Housing Fund Resources
Interest \$ 641,464
Other \$ 31
\$ _____
 - c. **Total Housing Fund Resources** \$ 641,495
3. **Total Resources** (Line 1b. + Line 2a + Line 2c.) \$ 12,111,159

NOTES:

Many amounts to report as Expenditures and Other Uses (beginning on the next page) should be taken from amounts reported to the State Controller's Office (SCO). Review the SCO's Redevelopment Agencies Financial Transactions Report.

Housing Fund "transfers-out" to other internal Agency funds: Report the specific use of all transferred funds on applicable lines 4a.-k of Schedule C. For example, transfers from the Housing Fund to the Debt Service Fund for the repayment of principal and interest of debt proceeds deposited to the Housing Fund should be reported on the applicable item comprising HCD-C Line 4c, providing tax increment (gross and deposit amounts) were reported on Sch-As. External transfers out of the Agency should be reported on HCD-C Line 4j (e.g.: transfer of excess surplus to the County Housing Authority).

Other Uses: Non-GAAP (Generally Accepted Accounting Principles) recording of expenditures such as land purchases for agencies using the Land Held for Resale method to record land purchases should be reported on HCD-C Line 4a(1). Funds spent resulting in loans to the Housing Fund should be included in HCD-C lines 4b., 4f., 4g., 4h., and 4i as appropriate.

The statutory cite pertaining to Community Redevelopment Law (CRL) is provided for preparers to review to determine the appropriateness of Low and Moderate Income Housing Fund (LMIHF) expenditures and other uses. HCD does not represent that line items identifying any expenditures and other uses are allowable. CRL is accessible on the Internet [website: <http://www.leginfo.ca.gov/> (California Law)] beginning with Section 33000 of the Health and Safety Code.

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4. Expenditures, Loans, and Other Uses**a. Acquisition of Property & Building Sites [33334.2(e)(1)] & Housing [33334.2(e)(6)]:**

(1) Land Purchases (<i>Investment – Land Held for Resale</i>) *	\$0
(2) Housing Assets (<i>Fixed Asset</i>) *	\$0
(3) Acquisition Expense	\$0
(4) Operation of Acquired Property	\$0
(5) Relocation Costs	\$0
(6) Relocation Payments	\$0
(7) Site Clearance Costs	\$0
(8) Disposal Costs	\$0
(9) Other [Explain and identify amount(s)]:	

	\$0	
	\$0	
	\$0	\$0

* Reported to SCO as part of Assets and Other Debts

(10) **Subtotal Property/Building Sites/Housing Acquisition** (Sum of Lines 1 – 9) \$0**b. Subsidies from Low and Moderate Income Housing Fund (LMIHF):**

(1) 1 st Time Homebuyer Down Payment Assistance	\$0
(2) Rental Subsidies	\$0
(3) Purchase of Affordability Covenants [33413(b)2(B)]	\$0
(4) Other [Explain and identify amount(s)]:	
Acquisition/Rehab Assistance Loan	\$
(Jamboree I & Jamboree II)	\$ 925,612
	\$ 925,612

(5) **Subtotal Subsidies from LMIHF** (Sum of Lines 1 – 4) \$925,612**c. Debt Service [33334.2(e)(9)].** If paid from LMIHF, report LMIHF's share of debt service. If paid from Debt Service Fund, ensure "gross" tax increment is reported on HCD-A(s) Line 3a(1).

(1) Debt Principal Payments	
(a) Tax Allocation, Bonds & Notes	\$
(b) Revenue Bonds & Certificates of Participation	\$
(c) City/County Advances & Loans	\$
(d) U. S. State & Other Long-Term Debt	\$
(2) Interest Expense	\$
(3) Debt Issuance Costs	\$
(4) Other [Explain and identify amount(s)]:	

	\$	
	\$	
	\$	\$

(5) **Subtotal Debt Service** (Sum of Lines 1 – 4) \$**d. Planning and Administration Costs [33334.3(e)(1)]:**

(1) Administration Costs	\$119,050
(2) Professional Services (<i>non project specific</i>)	\$ 86,140
(3) Planning/Survey/Design (<i>non project specific</i>)	\$
(4) Indirect Nonprofit Costs [33334.3(e)(1)(B)]	\$
(5) Other [Explain and identify amount(s)]:	
Misc Planning and Administrative Costs	\$612
	\$
	\$ 612

(6) **Subtotal Planning and Administration** (Sum of Lines 1 – 5) \$205,802**E12.87**

Agency Name: Redevelopment Agency of the City of Huntington Beach

4. **Expenditures, Loans, and Other Uses** (continued)

- e. On/Off-Site Improvements [33334.2(e)(2)] *Complete item 13* \$0
- f. Housing Construction [33334.2(e)(5)] \$0
- g. Housing Rehabilitation [33334.2(e)(7)] \$0
- h. Maintain Supply of Mobilehome Parks [33334.2(e)(10)] \$0
- i. Preservation of At-Risk Units [33334.2(e)(11)] \$0

j. **Transfers Out of Agency**

- (1) For Transit village Development Plan (33334.19) \$0
- (2) Excess Surplus [33334.12(a)(1)(A)] \$0
- (3) Other (specify code section authorizing transfer and amount)
- A. Section _____ \$0
- B. Section _____ \$0

Other Transfers Subtotal \$0

(4) **Subtotal Transfers Out of Agency** (Sum of j(1) through j(3)) \$0

k. **Other Expenditures, Loans, and Uses** [Explain and identify amount(s)]:

Acquisition of Inclusionary Housing Unit - 18862 Breezy Lane Loan \$408,282

\$0

\$0

Subtotal Other Expenditures, Loans, and Uses \$408,282

l. **Total Expenditures, Loans, and Other Uses** (Sum of lines 4a.-k.) \$1,539,696

5. **Net Resources Available** [End of Reporting Fiscal Year]

[Page 1, Line 3, Total Resources minus Total Expenditures, Loans, and Other Uses on Line 4.l.] \$10,571,463

6. **Encumbrances and Unencumbered Balance**

- a. **Encumbrances.** Amount of Line 5 reserved for future payment of legal contract(s) or agreement(s). See Section 33334.12(g)(2) for definition. \$
- Refer to item 10 on Sch-A(s) and item 4 on Sch-B.*

b. **Unencumbered Balance** (Line 5 minus Line 6a). Also enter on Page 4, Line 11a. \$10,571,463

7. **Designated/Undesignated Amount of Available Funds**

- a. **Designated** From Line 6b- Budgeted/planned to use near-term \$
- Refer to item 10 on Sch-A(s) and item 4 on Sch-B*

b. **Undesignated** From Line 6b- Portion not yet budgeted/planned to use \$10,571,463

8. **Other Housing Fund Assets** (non recurrent receivables) not included as part of Line 5

- a. Indebtedness from Deferrals of Tax Increment (Sec. 33334.6) \$
- [refer to Sch-A(s), Line 5c (2)].
- b. Value of Land Purchased with Housing Funds and Held for \$0
- Development of Affordable Housing. *Complete Sch-C item 14.*
- c. Loans Receivable for Housing Activities \$1,362,614
- d. Residual Receipt Loans (periodic/fluctuating payments) \$
- e. ERAF Loans Receivable (all years) (Sec. 33681) \$731,313
- f. **Other Assets** [Explain and identify amount(s)]:
- \$
- \$

g. **Total Other Housing Fund Assets** (Sum of lines 8a.-f.) \$2,093,927

9. **TOTAL FUND EQUITY**[Line 5 (Net Resources Available) +8g (Total Other Housing Fund Assets)] \$12,665,390

Compare Line 9 to the below amount reported to the SCO (Balance Sheet of Redevelopment Agencies Financial Transactions Report. [Explain differences and identify amount(s)]:

\$

\$

\$

ENTER LOW-MOD FUND TOTAL EQUITIES (BALANCE SHEET) REPORTED TO SCO \$12,665,390

E12.88

Agency Name: Redevelopment Agency of the City of Huntington Beach

Excess Surplus Information

Pursuant to Section 33080.7 and Section 33334.12(g)(1), report on Excess Surplus that is required to be determined on the first day of a fiscal year. Excess Surplus exists when the Adjusted Balance exceeds the greater of: (1) \$1,000,000 or (2) the aggregate amount of tax increment deposited to the Housing Fund during the prior four fiscal years. Section 33334.12(g)(3)(A) and (B) provide that the Unencumbered Balance can be adjusted for: (1) any remaining revenue generated in the reporting year from unspent debt proceeds and (2) if the land was disposed of during the reporting year to develop affordable housing, the difference between the fair market value of land and the value received.

The Unencumbered Balance is calculated by subtracting encumbrances from Net Resources Available. "Encumbrances" are funds reserved and committed pursuant to a legally enforceable contract or agreement for expenditure for authorized redevelopment housing activities [Section 33334.12(g)(2)].

For Excess Surplus calculation purposes, carry over the prior year's HCD Schedule C Adjusted Balance as the Adjusted Balance on the first day of the reporting fiscal year. Determine which is larger: (1) \$1 million or (2) the total of tax increment deposited over the prior four years. Subtract the largest amount from the Adjusted Balance and, if positive, report the amount as Excess Surplus.

10. Excess Surplus:

Complete Columns 2, 3, 4, & 5 to calculate Excess Surplus for the reporting year. Columns 6 and 7 track prior years' Excess Surplus.

<u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>	<u>Column 4</u>	<u>Column 5</u>	<u>Column 6</u>	<u>Column 7</u>
4 Prior and Current Reporting Years	Total Tax Increment Deposits to Housing Fund	Sum of Tax Increment Deposits Over Prior Four FYs	Current Reporting Year 1 st Day Adjusted Balance	Current Reporting Year 1 st Day Excess Surplus Balances	Amount Expended/Encumbered Against FY Balance of Excess Surplus as of End of Reporting Year	Remaining Excess Surplus for Each Fiscal Year as of End of Reporting Year
4 Rpt Yrs Ago FY 02/03	\$1,819,674			\$ None	\$ Not Applicable	\$ Not Applicable
3 Rpt Yrs Ago FY 03/04	\$1,909,236			\$ None	\$ Not Applicable	\$ Not Applicable
2 Rpt Yrs Ago FY 04/05	\$2,301,008			\$ None	\$ Not Applicable	\$ Not Applicable
1 Rpt Yr Ago FY 05/06	\$2,779,435			\$ None	\$ Not Applicable	\$ Not Applicable
CURRENT Reporting Year FY 06/07		Sum of Column 2 \$8,809,353	Last Year's Sch C Adjusted Balance \$8,236,353	Col 4 minus: larger of Col 3 or \$1mm (report positive \$) \$ None	\$ Not Applicable	\$ Not Applicable

11. Reporting Year Ending Unencumbered Balance and Adjusted Balance:

a. Unencumbered Balance (End of Year) [Page 3, Line 6b] \$10,571,463

b. If eligible, adjust the Unencumbered Balance for:

(1) **Debt Proceeds** [33334.12(g)(3)(B)]:

Identify unspent debt proceeds and related income remaining at end of reporting year \$

(2) **Land Conveyance Losses** [(33334.12(g)(3)(A))]:

Identify reporting year losses from sales/grants/leases of land acquired with low-mod funds, if 49% or more of new or rehabilitated units will be affordable to lower-income households \$

12. Adjusted Balance (for next year's determination of Excess Surplus) [Line 11a minus sum of 11b(1) and 11b(2)] \$10,571,463

Note: Do not enter Adjusted Balance in Col 4. It is to be reported as next year's 1st day amount to determine Excess Surplus

a. If there is remaining Excess Surplus from what was determined on the first day of the reporting year, describe the agency's plan (as specified in Section 33334.10) for transferring, encumbering, or expending excess surplus:

b. If the plan described in 12a. was adopted, enter the plan adoption date:

____/____/____
mo day yr

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Miscellaneous Uses of Funds

13. If an amount is reported in 4e., pursuant to Section 33080.4(a)(6), report the total number of very low-, low-, and moderate-income households that directly benefited from expenditures for onsite/offsite improvements which resulted in either new construction, rehabilitation, or the elimination of health and safety hazards. (Note: If Line 4e of this schedule does not show expenditures for improvements, no units should be reported here.)

Income Level	Households Constructed	Households Rehabilitated	Households Benefiting from Elimination of Health and Safety Hazard	Duration of Deed Restriction
Very Low	0	0	0	0
Low	0	0	0	0
Moderate	0	0	0	0

14. If the agency is holding land for future housing development (refer to Line 8b), summarize the acreage (round to tenths, do not report square footage), zoning, date of purchase, and the anticipated start date for the housing development.

Site Name/Location*	No. of Acres	Zoning	Purchase Date	Estimated Date Available	Comments
Not Applicable					

Please attach a separate sheet of paper listing any additional sites not reported above.

15. Section 33334.13 requires agencies which have used the Housing Fund to assist mortgagors in a homeownership mortgage revenue bond program, or home financing program described in that Section, to provide the following information:
- a. Has your agency used the authority related to definitions of income or family size adjustment factors provided in Section 33334.13(a)?
- Yes ☐ No ☐ Not Applicable ☒
- b. Has the agency complied with requirements in Section 33334.13(b) related to assistance for very low-income households equal to twice that provided for above moderate-income households?
- Yes ☐ No ☐ Not Applicable ☒

Agency Name: Redevelopment Agency of the City of Huntington Beach

16. Did the Agency use non-LMIHF funds as matching funds for the Federal HOME or HOPE program during the reporting period?

YES ☐ NO ☒

If yes, please indicate the amount of non-LMIHF funds that were used for either HOME or HOPE program support.

HOME \$ _____ HOPE \$ _____

17. Pursuant to Section 33080.4(a)(11), the agency shall maintain adequate records to identify the date and amount of all LMIHF deposits and withdrawals during the reporting period. To satisfy this requirement, the Agency should keep and make available upon request any and all deposit and withdrawal information. **DO NOT SUBMIT ANY DOCUMENTS/RECORDS.**

Has your agency made any deposits to or withdrawals from the LMIHF? Yes ☐ No ☐

If yes, identify the document(s) describing the agency's deposits and withdrawals by listing for each document, the following (attach additional pages of similar information below as necessary):

Name of document (e.g. ledger, journal, etc.): _____

Name of Agency Custodian (person): _____

Custodian's telephone number: _____

Place where record can be accessed: _____

Name of document (e.g. ledger, journal, etc.): _____

Name of Agency Custodian (person): _____

Custodian's telephone number: _____

Place where record can be accessed: _____

18. **Use of Other (non Low-Mod Funds) Redevelopment Funds for Housing**

Please briefly describe the use of any non-LMIHF redevelopment funds (i.e., contributions from the other 80% of tax increment revenue or other non Low-Mod funds) to construct, improve, assist, or preserve housing in the community.

N/A

19. **Suggestions/Resource Needs**

Please provide suggestions to simplify and improve future agency reporting and identify any training, information, and/or other resources, etc. that would help your agency to more quickly and effectively use its housing or other funds to increase, improve, and preserve affordable housing? *Current law requires that the State Controller Report be presented to the Agency prior to its being submitted to the State Controller and HCD. For those agencies with fiscal years from October 1 to September 30, the deadline for submitting the State Controller Report is March 31st (180 days after the end of their fiscal year). This presents a problem, since HCD does not make the online database available for input by these agencies until the middle of March. Subsequently, these agencies are forced to do their reports by hand in order to get the report approved by the Agency (all items must be submitted at least two weeks prior to the Agency meeting) and submitted to the State Controller and HCD before March 31st. This takes much more time and effort on the part of limited staff and, because it is more beneficial and efficient to access the annual report data online, it is likely that the same information will again have to be entered into the database at some time in the future. We respectfully request that a solution to this problem be sought as soon as possible.*

20. **Annual Monitoring Reports of Previously Completed Affordable Housing Projects/Programs (H&SC 33418)**

Were all Annual Monitoring Reports received for all prior years' affordable housing projects/programs? Yes ☐ No ☐

Staff is currently in the process of collecting all such reports.

Agency Name: Redevelopment Agency of the City of Huntington Beach

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Agency Name: Redevelopment Agency of the City of Huntington Beach

21. Excess Surplus Expenditure Plan (H&SC 33334.10(a))

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Agency Name: Redevelopment Agency of the City of Huntington Beach

22. Footnote area to provide additional information.

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23. Project Achievement and HCD Director's Award for Housing Excellence

Project achievement information is optional but can serve important purposes: Agencies' achievements can inform others of successful redevelopment projects and provide instructive information for additional successful projects. Achievements may be included in HCD's Annual Report of Housing Activities of California Redevelopment Agencies to assist other local agencies in developing effective and efficient programs to address local housing needs.

In addition, HCD may select various projects to receive the Director's Award for Housing Excellence. Projects may be selected based on criteria such as local affordable housing need(s) met, resources utilized, barriers overcome, and project innovation/complexity, etc.

Project achievement information should only be submitted for one affordable residential project that was completed within the reporting year as evidenced by a Certificate of Occupancy. The project must not have been previously reported as an achievement.

To publish agencies' achievements in a standard format, please complete information for each underlined category below addressing suggested topics in a narrative format that does not exceed two pages (see example, next page). In addition to submitting information with other HCD forms to the State Controller, please submit achievement information on a 3.5 inch diskette and identify the software type and version. For convenience, the diskette can be separately mailed to: HCD Policy Division, 1800 3rd Street, Sacramento, CA 95814 or data can be emailed by attaching the file and sending it to: rlvvy@hcd.ca.gov.

AGENCY INFORMATION

- Project Type (Choose one of the categories below and one kind of assistance representing the primary project type):

New/Additional Units (Previously Unoccupied/Uninhabitable):

- New Construction to own
- New Construction to rent
- Rehabilitation to own
- Rehabilitation to rent
- Adaptive Re-use
- Mixed Use Infill
- Mobilehomes/Manufactured Homes
- Mortgage Assistance
- Transitional Housing
- Other (describe)

Existing Units (Previously Occupied)

- Rehabilitation of Owner-Occupied
- Rehabilitation of Tenant-Occupied
- Acquisition and Rehabilitation to Own
- Acquisition and Rehabilitation to Rent
- Mobilehomes/Manufactured Homes
- Payment Assistance for Owner or Renter
- Transitional Housing
- Other (describe)

- Agency Name:
- Agency Contact and Telephone Number for the Project:

DESCRIPTION

- Project Name
- Clientele served [owner, renter, income group, special need (e.g. large family or disabled), etc.]
- Number and type of units and location, density, and size of project relative to other projects, etc.
- Degree of affordability/assistance rendered to families by project, etc.
- Uniqueness (land use, design features, additional services/amenities provided, funding sources/collaboration, before/after project conversion such as re-use, mixed use, etc.)
- Cost (acquisition, clean-up, infrastructure, conversion, development, etc.)

HISTORY

- Timeframe from planning to opening
- Barriers/resistance (legal/financial/community, etc.) that were overcome
- Problems and creative solutions found
- Lessons learned and/or recommendations for undertaking a similar project

AGENCY ROLE AND ACHIEVEMENT

- Degree of involvement with concept, design, approval, financing, construction, operation, and cost, etc.
- Specific agency and/or community goals and objectives met, etc.

ACHIEVEMENT EXAMPLE

Project Type: NEW CONSTRUCTION- OWNER OCCUPIED

Redevelopment Agency
Contact: Name (Area Code) Telephone #

Project/Program Name: _____ **Project or Program**

Description

During the reporting year, construction of 12 homes was completed. _____ Enterprises, which specializes in community self-help projects, was the developer, assisting 12 families in the construction of their new homes. The homes took 10 months to build. The families' work on the homes was converted into "sweat equity" valued at \$15,000. The first mortgage was from CHFA. Families were also given an affordable second mortgage. The second and third mortgage loans were funded by LMIHF and HOME funds.

History

The _____ (City or County) of _____ struggled for several years over what to do about the _____ area. The _____ tried to encourage development in the area by rezoning a large portion of the area for multi-family use, and twice attempted to create improvement districts. None of these efforts were successful and the area continued to deteriorate, sparking growing concern among city officials and residents. At the point that the Redevelopment Agency became involved, there was significant ill will between the residents of the _____ and the (City or County). The _____ introduced the project in _____ with discussions of how the Agency could become involved in improving the blighted residential neighborhood centering on _____. This area is in the core area of town and was developed with disproportionately narrow, deep lots, based on a subdivision plat laid in 1950. Residents built their homes on the street frontages of _____ and _____ leaving large back-lot areas that were landlocked and unsuitable for development, having no access to either avenue. The Agency worked with 24 property owners to purchase portions of their properties. Over several years, the Agency purchased enough property to complete a tract map creating access and lots for building. Other non-profits have created an additional twelve affordable homes.

Agency Role

The Agency played the central role. The _____ Project is a classic example of successful redevelopment. All elements of blight were present: irregular, land-locked parcels without access; numerous property owners; development that lagged behind that of the surrounding municipal property; high development cost due to need for installation of street improvements, utilities, a storm drain system, and undergrounding of a flood control creek; and a low-income neighborhood in which property sale prices would not support high development costs. The Agency determined that the best development for the area would be single-family owner-occupied homes. The Agency bonded its tax increment to fund the off-site improvements. A tract map was completed providing for the installation of the street improvements, utilities, storm drainage, and the undergrounding of _____ Creek. These improvements cost the Agency approximately \$1.5 million. In lieu of using the eminent domain process, the Agency negotiated with 22 property owners to purchase portions of their property, allowing for access to the landlocked parcels. This helped foster trust and good will during the course of the negotiations. The Project got underway once sufficient property was purchased.

**SCHEDULE HCD-D1
GENERAL PROJECT/PROGRAM INFORMATION**

For each different Project/Program (area/name/agency or nonagency dev/rental or owner), complete a D1 and applicable D2-D7.

Examples:

- 1: 25 minor rehab (Nonagency Dev): Area 1: 15 Owner; Area 2: 6 Rental; & Outside: 4 Rental. Complete 3 D-1s, & Ds3-4-5.
 2: 20 sub rehab (nonrestricted): Area 3: 4 Agency Dev. Rentals; 16 Nonagency Dev. Rentals. Complete 2 D-1s & 2 D-5s.
 3: 15 sub rehab (restricted): Area 4: 15 Nonagency Dev, Owner. Complete 1 D-1 & 1 D-3.
 4: 10 new (Outside). 2 Agency Dev (restricted Rental), 8 Nonagency Dev (nonrestricted Owner) Complete 2 D-1s, 1 D-4, & 1 D-5.

Name of Redevelopment Agency: Redevelopment Agency of the City of Huntington Beach
 Identify Project Area or specify "Outside": Huntington Beach Merged Redevelopment Project
 General Title of Housing Project/Program: ACQUISITION-REHAB JAMBOREE I
 Project/Program Address (optional): _____

Street: 17372 Koledo Lane City: Huntington Beach ZIP: 92647

Owner Name (optional): Jamboree Housing Corporation

Total Project/Program Units: # 5 Restricted Units: # 5 Unrestricted Units: # 0

For projects/programs with no RDA assistance, do not complete any of below or any of HCD D2-D6. Only complete HCD-D7.

Was this a federally assisted multi-family rental project [Gov't Code Section 65863.10(a)(3)]? ☒ YES ☐ NO

Number of units occupied by ineligible households (e.g. ineligible income/# of residents in unit) at FY # 1
 end (Tenant was ineligible upon acquisition and is being permanently relocated)

Number of bedrooms occupied by ineligible persons (e.g. ineligible income/# of residents in unit) at FY #2
 end (Tenant was ineligible upon acquisition and is being permanently relocated)

Number of units restricted for special needs: (number must not exceed "Total Project Units") #0

Number of units restricted that are serving one or more Special Needs: # 0 ☐ Check, if data not available

(Note: A unit may serve multiple "Special Needs" below. Sum of all the below can exceed the "Number of Units" above)

# <u> </u> DISABLED (Mental)	# <u> </u> FARMWORKER (Permanent)	# <u> </u> TRANSITIONAL HOUSING
# <u> </u> DISABLED (Physical)	# <u> </u> FEMALE HEAD OF HOUSHOLD	# <u> </u> ELDERLY
# <u> </u> FARMWORKER (Migrant)	# <u> </u> LARGE FAMILY (4 or more Bedrooms)	# <u> </u> EMERGENCY SHELTERS (allowable use <u>only</u> with "Other Housing Units Provided - Without LMIHF" Sch-D6)

Affordability and/or Special Need Use Restriction Term (enter day/month/year using digits, e.g. 07/01/2002):

	Replacement Housing Units	Inclusionary Housing Units	Other Housing Units Provided	
			With LMIHF	Without LMIHF
Restriction Start Date			October 16, 2006	
Restriction End Date			October 16, 2066	
Perpetuity				

Funding Sources:

Redevelopment Funds: \$ 485,000
 Federal Funds: \$ 800,000
 State Funds: \$
 Other Local Funds: \$
 Private Funds: \$ 223,326
 Owner's Equity: \$
 TCAC/Federal Award: \$
 TCAC/State Award: \$
 Total Development/Purchase Cost: \$ 1,508,326

E12.97

Check all appropriate form(s) below that will be used to identify all of this Project's/Program's Units:

- | | | |
|--------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> Replacement Housing Units
(Sch HCD-D2) | <input type="checkbox"/> Inclusionary Units:
<input type="checkbox"/> Inside Project Area (Sch HCD-D3)
<input type="checkbox"/> Outside Project Area (Sch HCD-D4) | <input checked="" type="checkbox"/> Other Housing Units Provided:
<input checked="" type="checkbox"/> With LMIHF (Sch HCD-D5)
<input type="checkbox"/> Without LMIHF (Sch HCD-D6)
<input type="checkbox"/> No Agency Assistance (Sch HCD-D7) |
|--------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**SCHEDULE HCD-D1
GENERAL PROJECT/PROGRAM INFORMATION**

For each different Project/Program (area/name/agency or nonagency dev/rental or owner), complete a D1 and applicable D2-D7.

Examples:

- 1: 25 minor rehab (Nonagency Dev): Area 1: 15 Owner; Area 2: 6 Rental; & Outside: 4 Rental. Complete 3 D-1s, & Ds3-4-5.
 2: 20 sub rehab (nonrestricted): Area 3: 4 Agency Dev. Rentals; 16 Nonagency Dev. Rentals. Complete 2 D-1s & 2 D-5s.
 3: 15 sub rehab (restricted): Area 4: 15 Nonagency Dev, Owner. Complete 1 D-1 & 1 D-3.
 4: 10 new (Outside). 2 Agency Dev (restricted Rental), 8 Nonagency Dev (nonrestricted Owner) Complete 2 D-1s, 1 D-4, & 1 D-5.

Name of Redevelopment Agency: Redevelopment Agency of the City of Huntington Beach
 Identify Project Area or specify "Outside": Huntington Beach Merged Redevelopment Project
 General Title of Housing Project/Program: ACQUISITION-REHAB JAMBOREE II
 Project/Program Address (optional): _____

Street: 17362 Koledo Lane City: Huntington Beach ZIP: 92647

Owner Name (optional): Jamboree Housing Corporation

Total Project/Program Units: # 5 Restricted Units: # 5 Unrestricted Units: # 0

For projects/programs with no RDA assistance, do not complete any of below or any of HCD D2-D6. Only complete HCD-D7.

Was this a federally assisted multi-family rental project [Gov't Code Section 65863.10(a)(3)]? ☒ YES ☐ NO

Number of units occupied by ineligible households (e.g. ineligible income/# of residents in unit) at FY # 1
 end (Tenant was ineligible upon acquisition and is being permanently relocated)

Number of bedrooms occupied by ineligible persons (e.g. ineligible income/# of residents in unit) at FY #2
 end (Tenant was ineligible upon acquisition and is being permanently relocated)

Number of units restricted for special needs: (number must not exceed "Total Project Units") #0

Number of units restricted that are serving one or more Special Needs: # 0 ☐ Check, if data not available

(Note: A unit may serve multiple "Special Needs" below. Sum of all the below can exceed the "Number of Units" above)

# <u> </u> DISABLED (Mental)	# <u> </u> FARMWORKER (Permanent)	# <u> </u> TRANSITIONAL HOUSING
# <u> </u> DISABLED (Physical)	# <u> </u> FEMALE HEAD OF HOUSEHOLD	# <u> </u> ELDERLY
# <u> </u> FARMWORKER (Migrant)	# <u> </u> LARGE FAMILY (4 or more Bedrooms)	# <u> </u> EMERGENCY SHELTERS (allowable use <u>only</u> with "Other Housing Units Provided - Without LMIHF" Sch-D6)

Affordability and/or Special Need Use Restriction Term (enter day/month/year using digits, e.g. 07/01/2002):

	Replacement Housing Units	Inclusionary Housing Units	Other Housing Units Provided	
			With LMIHF	Without LMIHF
Restriction Start Date			May 21, 2007	
Restriction End Date			May 21, 2067	
Perpetuity				

Funding Sources:

Redevelopment Funds: \$ 780,000
 Federal Funds: \$ 800,000
 State Funds: \$
 Other Local Funds: \$
 Private Funds: \$ 191,000
 Owner's Equity: \$
 TCAC/Federal Award: \$
 TCAC/State Award: \$
 Total Development/Purchase Cost: \$ 1,771,000

Check all appropriate form(s) below that will be used to identify all of this Project's/Program's Units:

- ☐ Replacement Housing Units (Sch HCD-D2) Inclusionary Units: ☐ Inside Project Area (Sch HCD-D3) Other Housing Units Provided: ☒ With LMIHF (Sch HCD-D5)
 ☐ Outside Project Area (Sch HCD-D4) ☐ Without LMIHF (Sch HCD-D6)
 ☐ No Agency Assistance (Sch HCD-D7)

SCHEDULE HCD-D5

OTHER HOUSING UNITS PROVIDED (AGENCY ASSISTANCE WITH LMIHF)

(units not claimed on Schedule D-2,3,4,6,7)

(lack minimum replacement or inclusionary restrictions and/or not controlled by agency or community)

Agency: Redevelopment Agency of the City of Huntington Beach

Redevelopment Project Area Name, or "Outside": Huntington Beach Merged Redevelopment Project

Affordable Housing Project Name: Acquisition Rehab Jamboree I

Check only one:

☒ Inside Project Area

☐ Outside Project Area

Check only one. If both apply, complete a separate form for each (with another Sch-D1):

☐ Agency Developed

☒ Non-Agency Developed

Check only one. If both apply, complete a separate form for each (with another Sch-D1):

☒ Rental

☐ Owner-Occupied

Enter the number of units for each applicable activity below:

Note: "INELG" refers to a household that is no longer eligible but still a temporary resident and part of the total

A. New Construction Units (non replacement/non inclusionary):

Elderly Units					Non Elderly Units					TOTAL Elderly & Non Elderly Units				
VLOW	LOW	MOD	TOTAL	INELG.	VLOW	LOW	MOD	TOTAL	INELG.	VLOW	LOW	MOD	TOTAL	INELG.
			0					0					0	

B. Substantial Rehabilitation Units (value increase with land > 25% (non replacement/non inclusionary):

Elderly Units					Non Elderly Units					TOTAL Elderly & Non Elderly Units				
VLOW	LOW	MOD	TOTAL	INELG.	VLOW	LOW	MOD	TOTAL	INELG.	VLOW	LOW	MOD	TOTAL	INELG.
			0					0					0	

C. Non-Substantial Rehabilitation Units:

Elderly Units					Non Elderly Units					TOTAL Elderly & Non Elderly Units				
VLOW	LOW	MOD	TOTAL	INELG.	VLOW	LOW	MOD	TOTAL	INELG.	VLOW	LOW	MOD	TOTAL	INELG.
			0		4	1		5	1	4	1		5	1

D. Acquisition of Units Only (non acquisition of affordability covenants for inclusionary credit):

Elderly Units					Non Elderly Units					TOTAL Elderly & Non Elderly Units				
VLOW	LOW	MOD	TOTAL	INELG.	VLOW	LOW	MOD	TOTAL	INELG.	VLOW	LOW	MOD	TOTAL	INELG.
			0					0					0	

E. Mobilehome Owner / Resident:

Elderly Units					Non Elderly Units					TOTAL Elderly & Non Elderly Units				
VLOW	LOW	MOD	TOTAL	INELG.	VLOW	LOW	MOD	TOTAL	INELG.	VLOW	LOW	MOD	TOTAL	INELG.
			0					0					0	

F. Mobilehome Park Owner / Resident:

Elderly Units					Non Elderly Units					TOTAL Elderly & Non Elderly Units				
VLOW	LOW	MOD	TOTAL	INELG.	VLOW	LOW	MOD	TOTAL	INELG.	VLOW	LOW	MOD	TOTAL	INELG.
			0					0					0	

SCHEDULE HCD-D5**OTHER HOUSING UNITS PROVIDED (AGENCY ASSISTANCE WITH LMIHF) (continued)**

Note: "INELG" refers to a household that is no longer eligible but still a temporary resident and part of the total

G. Preservation (H&S 33334.2(e)(11) Threat of Public Assisted/Subsidized Rentals Converted to Market):

Elderly Units					Non Elderly Units					TOTAL Elderly & Non Elderly Units				
VLOW	LOW	MOD	TOTAL	INELG.	VLOW	LOW	MOD	TOTAL	INELG.	VLOW	LOW	MOD	TOTAL	INELG.
			0					0					0	

H. Subsidy (other than any activity already reported on this form):

Elderly Units					Non Elderly Units					TOTAL Elderly & Non Elderly Units				
VLOW	LOW	MOD	TOTAL	INELG.	VLOW	LOW	MOD	TOTAL	INELG.	VLOW	LOW	MOD	TOTAL	INELG.
			0					0					0	

I. Other Assistance:

Elderly Units					Non Elderly Units					TOTAL Elderly & Non Elderly Units				
VLOW	LOW	MOD	TOTAL	INELG.	VLOW	LOW	MOD	TOTAL	INELG.	VLOW	LOW	MOD	TOTAL	INELG.
			0					0					0	

TOTAL UNITS (Add only **TOTAL** of all "TOTAL Elderly / Non Elderly Units"):

5

If TOTAL UNITS is less than "Total Project Units" shown on HCD Schedule D1, report the remainder as instructed below.**Check all appropriate form(s) listed below that will be used to identify remaining Project Units to be reported:**☐ Replacement Housing Units
(Sch HCD-D2)

Inclusionary Units:

☐ Inside Project Area (Sch HCD-D3)☐ Outside Project Area (Sch HCD-D4)

Other Housing Units Provided:

☐ Without LMIHF (Sch HCD-D6)☐ No Assistance (Sch HCD-D7)

SCHEDULE HCD-D5

OTHER HOUSING UNITS PROVIDED (AGENCY ASSISTANCE WITH LMIHF)

(units not claimed on Schedule D-2,3,4,6,7)

(lack minimum replacement or inclusionary restrictions and/or not controlled by agency or community)

Agency: Redevelopment Agency of the City of Huntington Beach

Redevelopment Project Area Name, or "Outside": Huntington Beach Merged Redevelopment Project

Affordable Housing Project Name: Acquisition Rehab Jamboree II

Check only one:

☒ Inside Project Area

☐ Outside Project Area

Check only one. If both apply, complete a separate form for each (with another Sch-D1):

☐ Agency Developed

☒ Non-Agency Developed

Check only one. If both apply, complete a separate form for each (with another Sch-D1):

☒ Rental

☐ Owner-Occupied

Enter the number of units for each applicable activity below:

Note: "INELG" refers to a household that is no longer eligible but still a temporary resident and part of the total

A. New Construction Units (non replacement/non inclusionary):

Elderly Units					Non Elderly Units					TOTAL Elderly & Non Elderly Units				
VLOW	LOW	MOD	TOTAL	INELG.	VLOW	LOW	MOD	TOTAL	INELG.	VLOW	LOW	MOD	TOTAL	INELG.
			0					0					0	

B. Substantial Rehabilitation Units (value increase with land > 25% (non replacement/non inclusionary):

Elderly Units					Non Elderly Units					TOTAL Elderly & Non Elderly Units				
VLOW	LOW	MOD	TOTAL	INELG.	VLOW	LOW	MOD	TOTAL	INELG.	VLOW	LOW	MOD	TOTAL	INELG.
			0					0					0	

C. Non-Substantial Rehabilitation Units:

Elderly Units					Non Elderly Units					TOTAL Elderly & Non Elderly Units				
VLOW	LOW	MOD	TOTAL	INELG.	VLOW	LOW	MOD	TOTAL	INELG.	VLOW	LOW	MOD	TOTAL	INELG.
			0		5			5	0	5			5	0

D. Acquisition of Units Only (non acquisition of affordability covenants for inclusionary credit):

Elderly Units					Non Elderly Units					TOTAL Elderly & Non Elderly Units				
VLOW	LOW	MOD	TOTAL	INELG.	VLOW	LOW	MOD	TOTAL	INELG.	VLOW	LOW	MOD	TOTAL	INELG.
			0					0					0	

E. Mobilehome Owner / Resident:

Elderly Units					Non Elderly Units					TOTAL Elderly & Non Elderly Units				
VLOW	LOW	MOD	TOTAL	INELG.	VLOW	LOW	MOD	TOTAL	INELG.	VLOW	LOW	MOD	TOTAL	INELG.
			0					0					0	

F. Mobilehome Park Owner / Resident:

Elderly Units					Non Elderly Units					TOTAL Elderly & Non Elderly Units				
VLOW	LOW	MOD	TOTAL	INELG.	VLOW	LOW	MOD	TOTAL	INELG.	VLOW	LOW	MOD	TOTAL	INELG.
			0					0					0	

Agency Name: Redevelopment Agency of the City of Huntington Beach

Housing Project Name: Acq/Rehab Jamboree II

SCHEDULE HCD-D5

OTHER HOUSING UNITS PROVIDED (AGENCY ASSISTANCE WITH LMIHF) (continued)

Note: "INELG" refers to a household that is no longer eligible but still a temporary resident and part of the total

G. Preservation (H&S 33334.2(e)(11) Threat of Public Assisted/Subsidized Rentals Converted to Market):

Elderly Units					Non Elderly Units					TOTAL Elderly & Non Elderly Units				
VLOW	LOW	MOD	TOTAL	INELG.	VLOW	LOW	MOD	TOTAL	INELG.	VLOW	LOW	MOD	TOTAL	INELG.
			0					0					0	

H. Subsidy (other than any activity already reported on this form):

Elderly Units					Non Elderly Units					TOTAL Elderly & Non Elderly Units				
VLOW	LOW	MOD	TOTAL	INELG.	VLOW	LOW	MOD	TOTAL	INELG.	VLOW	LOW	MOD	TOTAL	INELG.
			0					0					0	

I. Other Assistance:

Elderly Units					Non Elderly Units					TOTAL Elderly & Non Elderly Units				
VLOW	LOW	MOD	TOTAL	INELG.	VLOW	LOW	MOD	TOTAL	INELG.	VLOW	LOW	MOD	TOTAL	INELG.
			0					0					0	

TOTAL UNITS (Add only **TOTAL** of all "TOTAL Elderly / Non Elderly Units"):

5

If TOTAL UNITS is less than "Total Project Units" shown on HCD Schedule D1, report the remainder as instructed below.

Check all appropriate form(s) listed below that will be used to identify remaining Project Units to be reported:

☐ Replacement Housing Units
(Sch HCD-D2)

Inclusionary Units:

☐ Inside Project Area (Sch HCD-D3)

☐ Outside Project Area (Sch HCD-D4)

Other Housing Units Provided:

☐ Without LMIHF (Sch HCD-D6)

☐ No Assistance (Sch HCD-D7)

SCHEDULE HCD-D7

HOUSING UNITS PROVIDED (NO AGENCY ASSISTANCE)

(units not claimed on Schedule D-2,3,4,5,6)

Agency: Redevelopment Agency of the City of Huntington Beach

Redevelopment Project Area Name, or "Outside": Huntington Beach Merged Redevelopment Project

Housing Project Name: Non-assisted, market-rate units inside Huntington Beach Merged Redevelopment Project

NOTE: On this form, only report UNITS NOT REPORTED on HCD-D2 through HCD-D6 for project/program units that have not received any agency assistance. Agency assistance includes either financial assistance (LMIHF or other agency funds) or nonfinancial assistance (design, planning, etc.) provided by agency staff. In some cases, of the total units reported on HCD D1, a portion of units in the same project/program may be agency assisted (reported on HCD-D2 through HCD-D6) whereas other units may be unassisted by the agency (reported on HCD-D7).

The intent of this form is to: (1) reconcile any difference between total project/program units reported on HCD-D1 compared to the sum of all the project's/program's units reported on HCD-D2 through HCD-D6, and (2) account for other (nonassisted) housing units provided inside a project area that increases the agency's inclusionary obligation. Reporting nonagency assisted projects outside a project area is optional, if units do not make-up any part of total units reported on HCD-D1.

HCD-D7 Reporting Examples

Example 1 (reporting partial units): A new 100 unit project was built (reported on HCD-D1, Inside or Outside a project area). Fifty (50) units received agency assistance [30 affordable LMIHF units (reported on either HCD-D2, D3, D4, or D5) and 20 above moderate units were funded with other agency funds (reported on HCD-D6)]. The remaining 50 (privately financed and developed market-rate units) must be reported on HCD-D7 to make up the difference between 100 reported on D1 and 50 reported on D2-D6).

Example 2 (reporting all units): Inside a project area a condemned, historic property was substantially rehabilitated (multi-family or single-family), funded by tax credits and other private financing without any agency assistance.

Check whether Inside or Outside Project Area in completing applicable information below:

☒ INSIDE Project Area

Enter the number for each unit type for each applicable activity:

ACTIVITY:	UNIT TYPE: VLOW	LOW	MOD	AMOD	TOTAL
<u>New Construction Units:</u>				12	12
<u>Substantial Rehabilitation Units:</u>					
<u>Total Units:</u>				12	12

If agency did not assist any part of project identify Building Permit Number and Date:

111 6th Street

113 6th Street

313 2nd Street

315 2nd Street

7832 Cypress Street

217 6th Street

21398 Vera Circle (6 condo units)

BUILDING PERMIT NUMBER	BUILDING PERMIT DATE
B2004-096484	10/5/06
B2004-096485	10/5/06
C2006-008703	9/14/07
C2006-008705	9/14/07
C2005-008261	9/4/07
B2004-097064	12/13/06
B2004-096863	1/29/07

☐ OUTSIDE Project Area

Enter the number for each unit type for each applicable activity:

ACTIVITY:	UNIT TYPE: VLOW	LOW	MOD	AMOD	TOTAL
<u>New Construction Units:</u>					
<u>Substantial Rehabilitation Units:</u>					

Agency Name: Redevelopment Agency of the City of Huntington Beach Project Name: Huntington Bch Merged Redev Project

Total Units:

--	--	--	--	--

*If agency did not assist any part of project
identify Building Permit Number and Date:*

BUILDING PERMIT NUMBER	BUILDING PERMIT DATE

Check all appropriate form(s) listed below that will be used to identify remaining Project Units to be reported:

☐ Replacement Housing Units
(Sch HCD-D2)

Inclusionary Units:

☐ Inside Project Area (Sch HCD-D3)

☐ Outside Project Area (Sch HCD-D4)

Other Housing Units Provided:

☒ With LMIHF (Sch HCD-D5)

☐ Without LMIHF (Sch HCD-D6)

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SCHEDULE HCD-E

CALCULATION OF INCREASE IN AGENCY'S INCLUSIONARY OBLIGATION BASED ON SPECIFIED HOUSING ACTIVITY DURING THE REPORTING YEAR

Agency: Redevelopment Agency of the City of Huntington Beach

Name of Project or Area (if applicable, list "Outside" or "Summary": Summary

Complete this form to report activity separately by project or area or to summarize activity for the year. Report all new construction and/or substantial rehabilitation units from Forms D2 through D7 that were: (a) developed by the agency and/or (b) developed only in a project area by a nonagency person or entity.

PART I [H&SC Section 33413(b)(1)]	
<u>AGENCY DEVELOPED UNITS DURING THE REPORTING YEAR</u>	
<u>BOTH INSIDE AND OUTSIDE OF A PROJECT AREA</u>	
1. New Units Developed by the <u>Agency</u>	0
2. Substantially Rehabilitated Units Developed by the <u>Agency</u>	0
3. Subtotal - Baseline of <u>Agency</u> Developed Units (add lines 1 & 2)	0
4. Subtotal of Increased Inclusionary Obligation (Line 3 x 30%) (see Notes 1 and 2 below)	0
5. <u>Very-Low</u> Inclusionary Obligation Increase Units (Line 4 x 50%)	0
PART II [H&SC Section 33413(b)(2)]	
<u>NONAGENCY DEVELOPED UNITS DURING THE REPORTING YEAR</u>	
<u>ONLY INSIDE A PROJECT AREA</u>	
6. New Units Developed by Any <u>Nonagency</u> Person or Entity	0
7. Substantially Rehabilitated Units Developed by Any <u>Nonagency</u> Person or Entity	0
8. Subtotal - Baseline of <u>Nonagency</u> Developed Units (add lines 6 & 7)	0
9. Subtotal of Increased Inclusionary Obligation (Line 8 x 15%) (see Notes 1 and 2 below)	0
10. <u>Very-Low</u> Inclusionary Obligation Increase (Line 9 x 40%)	0
PART III REPORTING YEAR TOTALS	
11. Total Increase in Inclusionary Obligation (add lines 4 and 9)	0
12. <u>Very-Low</u> Inclusionary Obligation Increase (add lines 5 and 10) (Line 12 is a subset of Line 11)	0

NOTES:

1. Section 33413(b)(1), (2), and (4) require agencies to ensure that applicable percentages (30% or 15%) of all (market-rate and affordable) "new and substantially rehabilitated dwelling units" are made available at affordable housing cost within 10-year planning periods. Market-rate units: units not assisted with low-mod funds and jurisdiction does not control affordability restrictions. Affordable units: units generally restricted for the longest feasible time beyond the redevelopment plan's land use controls and jurisdiction controls affordability restrictions. Agency developed units: market-rate units can not exceed 70 percent and affordable units must be at least 30 percent; however, all units assisted with low-mod funds must be affordable. Nonagency developed (project area) units: market-rate units can not exceed 85 percent and affordable units must be at least 15 percent.
2. Production requirements may be met on a project-by-project basis or in aggregate within each 10-year planning period. The percentage of affordable units relative to total units required within each 10-year planning period may be calculated as follows:

$$\text{AFFORDABLE units} = \frac{\text{Market-rate} \times (.30 \text{ or } .15)}{(.70 \text{ or } .85)} \quad \text{TOTAL units} = \frac{\text{Market-rate or Affordable}}{(.70 \text{ or } .85) \quad (.30 \text{ or } .15)}$$

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REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH, CALIFORNIA



COMPONENT UNIT FINANCIAL REPORT WITH REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

For the Year Ended September 30, 2007

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CITY OF HUNTINGTON BEACH, CALIFORNIA



**COMPONENT UNIT FINANCIAL REPORT
WITH REPORT OF INDEPENDENT CERTIFIED PUBLIC
ACCOUNTANTS**

FOR THE YEAR ENDED SEPTEMBER 30, 2007

Prepared by the Finance Department

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February 21, 2008

INDEPENDENT AUDITORS' REPORT

Board of Directors
Redevelopment Agency of the
City of Huntington Beach
Huntington Beach, California

We have audited the accompanying financial statements of the governmental activities and each major fund of the Redevelopment Agency of the City of Huntington Beach, a component unit of the City of Huntington Beach, California as of and for the year ended September 30, 2007, which collectively comprise the Agency's basic financial statements, as listed in the table of contents. These basic financial statements are the responsibility of the Agency's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Controller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Agency as of September 30, 2007, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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In accordance with Government Auditing Standards, we have also issued our report dated February 21, 2008 on our consideration of the Agency's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The information identified in the accompanying table of contents as management's discussion and analysis is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The calculation of the excess surplus of the Low-Moderate Income Housing Fund is presented for additional analysis and is not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole

Diery, Evans and Company, LLP



Redevelopment Agency of the City of Huntington Beach Management's Discussion and Analysis For the Year Ended September 30, 2007

This discussion and analysis of the Redevelopment Agency of the City of Huntington Beach's (the Agency) financial performance provides an overview of the Agency's financial activities for the fiscal year ended September 30, 2007. Please read it in conjunction with the accompanying basic financial statements and the notes to those financial statements.

THE FINANCIAL STATEMENTS

The financial statements presented include activities of the Agency using the integrated approach as prescribed by the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments*.

The financial statements include a Statement of Net Assets and a Statement of Activities and Changes in Net Assets. Notes to the financial statements, required supplementary information, including this section support these statements. All sections must be considered together to obtain a complete understanding of the financial position of the Agency.

Statement of Net Assets – The Statement of Net Assets includes all assets and liabilities of the Agency, with the difference between the two reported as net assets. Assets and Liabilities are reported at their book value on an accrual basis, as of the statement date. It also identifies major categories of restrictions on the net assets of the Agency.

Statement of Activities and Changes in Net Assets – The Statement of Activities and Changes in Net Assets presents the revenues earned and expenses incurred during the year on an accrual basis.

These two statements report the Agency's *net assets* and changes in them. Net assets are the difference between assets and liabilities, which is one way to measure the financial health, or *financial position*.

FUND FINANCIAL STATEMENTS

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The Agency uses fund accounting. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein. Funds are established in order to comply with State law; bond covenants; other special regulations, restrictions, limitations or legal responsibilities; or simply as a tool for management to control and manage the Agency's resources.

The fund financial statements provide detailed information about the most significant funds – not the Agency as a whole. These funds are reported using the modified accrual basis of accounting, rather than on the full accrual basis. In the modified accrual basis, revenues are recognized in the period in which they become both measurable and available to finance expenditures of the current period. Revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due.



Redevelopment Agency of the City of Huntington Beach Management's Discussion and Analysis For the Year Ended September 30, 2007

The primary revenue sources, which have been treated as susceptible to accrual by the Agency are, property tax, other taxes, investment income, and other income. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

The differences of results in the Governmental Fund financial statements to those in the Government-Wide financial statements are explained in a reconciliation following each Governmental Fund financial statement.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Agency's combined net assets for the year ended September 30, 2007 were a negative \$(81,594,000). Under state law, Redevelopment Agencies' primary source of revenue is from tax increments that are derived from the increase in public and private investments due to the improvements in the properties that fall within the boundaries of a redevelopment project. These tax increment revenues are not sufficient to finance the activities of the Agency therefore the Agency issues bonds. These bonds are to be repaid over time solely from tax increments revenues. Redevelopment Agencies can only collect property tax increments to the extent it has debt on its books. Below is a summary of key items in the Government-Wide financial analysis (in thousands):

	2007 Amount	2006 Amount	Increase (Decrease)	Percent Increase (Decrease)
Assets				
Current and Other Assets	\$ 47,870	\$ 44,701	\$ 3,169	7.1%
Capital Assets	19,835	17,153	2,682	15.6%
Total Assets	67,705	61,854	5,851	9.5%
Liabilities				
Current Liabilities	12,072	12,238	(166)	-1.4%
Debt Payable to City of Huntington Beach	85,369	85,103	266	0.3%
Long-Term Liabilities Payable within one year	1,480	1,415	65	4.6%
Long-Term Liabilities	50,378	53,079	(2,701)	-5.1%
Total Liabilities	149,299	151,835	(2,536)	-1.7%
Net Assets				
Invested in Capital Assets -				
Net of Related Debt	17,153	17,153	-	0.0%
Restricted	10,135	18,513	(8,378)	-45.3%
Unrestricted	(108,882)	(125,647)	16,765	-13.3%
Total Net Assets	(81,594)	(89,981)	8,387	-9.3%
Expenses				
Economic Development	5,182	6,340	(1,158)	-18.3%
City Attorney	88	41	47	114.6%
Public Works	179	-	179	N/A
Non-departmental and Transfers	198	1,134	(936)	-82.5%
Interest	7,739	4,982	2,757	55.3%
Total Expenses	13,386	12,497	889	7.1%
Revenues				
Property Taxes	17,510	12,236	5,274	43.1%
Use of Money and Property	2,690	1,940	750	38.7%
Participation Payments	1,564	6,260	(4,696)	-75.0%
Other	9	2	7	350.0%
Total Revenue	21,773	20,438	1,335	6.5%
Excess of Revenue over Expense	8,387	7,941	446	5.6%
Transfers	-	(15,520)	15,520	-100.0%
Net Assets - Beginning of Year	(89,981)	(82,402)	(7,579)	9.2%
Net Assets - End of Year	\$ (81,594)	\$ (89,981)	\$ 8,387	-9.3%



Redevelopment Agency of the City of Huntington Beach Management's Discussion and Analysis For the Year Ended September 30, 2007

FUND FINANCIAL ANALYSIS

Below is an analysis of the Agency's various fund financial activities (in thousands):

	2007 Amount	2006 Amount	Increase (Decrease)	Percent Increase (Decrease)
Huntington Beach Project Area #1				
Total Assets	\$ 24,384	\$ 24,274	\$ 110	0.5%
Total Liabilities	2,437	3,830	(1,393)	-36.4%
Net Assets	21,947	20,444	1,503	7.4%
Revenues	3,390	7,795	(4,405)	-56.5%
Expenditures	1,886	4,333	(2,447)	-56.5%
Southeast Coastal Project Area				
Total Assets	-	-	-	N/A
Total Liabilities	190	179	11	6.1%
Net Assets	(190)	(179)	(11)	6.1%
Revenues	-	-	-	N/A
Expenditures	11	46	(35)	-76.1%
Low - Income Housing Fund				
Total Assets	24,119	20,703	3,416	16.5%
Total Liabilities	11,453	10,201	1,252	12.3%
Net Assets	12,666	10,502	2,164	20.6%
Revenues	641	385	256	66.5%
Expenditures	1,539	871	668	76.7%
Debt Service Fund - Huntington Beach Project Area #1				
Total Assets	6,511	5,100	1,411	27.7%
Total Liabilities	5,972	3,985	1,987	49.9%
Net Assets	539	1,115	(576)	-51.7%
Revenues	15,204	13,732	1,472	10.7%
Expenditures	12,270	17,270	(5,000)	-29.0%
Debt Service Fund - Southeast Coastal Project Area				
Total Assets	1,147	919	228	24.8%
Total Liabilities	305	808	(503)	-62.3%
Net Assets	842	111	731	658.6%
Revenues	337	187	150	80.2%
Expenditures	56	50	6	12.0%

DEBT ADMINISTRATION

A summary of the Agency's debt at year-end is (in thousands):

	2007 Amount	2006 Amount	Increase (Decrease)	Percent Increase (Decrease)
Debt Payable to City of Huntington Beach	\$ 85,369	\$ 85,103	\$ 266	0.3%
Bonds Payable	39,740	41,065	(1,325)	-3.2%
Notes Payable	4,980	5,215	(235)	-4.5%
Disposition and Development Agreement	7,101	8,197	(1,096)	-13.4%
Other Debt	37	17	20	117.6%
Total Debt	\$ 137,227	\$ 139,597	\$ (2,370)	-1.7%



**Redevelopment Agency of the City of Huntington Beach
Management's Discussion and Analysis
For the Year Ended September 30, 2007**

CAPITAL ASSETS

The Agency's capital assets consist of land of \$17,153,000. This amount is recorded as part of the net capital assets of the Agency in the Government-Wide financial statements.

OTHER INFORMATION

Below is a description of the some of the Agency's activities during the year.

Huntington Beach (Merged Project Area)

The Strand is a multi-use project developed by CIM Group on a 3-acre site in the downtown core. With views of Huntington Beach and the pier it is located on Pacific Coast Highway, north of Main Street. A Sixth Implementation Agreement and the 33433 Report are scheduled to be presented to the Redevelopment Agency in spring 2008. The Strand's four distinct buildings will be linked by open-air pedestrian walkways. The Strand will offer approximately 110,000 square feet of retail and office space. The Shorebreak Hotel is a 157 room luxury boutique hotel operated by Joie de Vivre Hospitality. Ample parking will be provided in a subterranean structure. Retail tenants include Forever 21/Forever Love, CVS, and Active Ride Shop. Dining options include Johnny Rockets, RA Sushi, New Zealand Natural Ice Cream, and Coffee Bean & Tea Leaf. The development is scheduled to open in the fall of 2008.

Pacific City is being developed by Makar Properties on a 31 acre site at Pacific Coast Highway and First Street. A Community Facilities District is proposed to fund the majority of the street enhancements and Regional Urban Runoff Treatment System for the residential portion of the project. There will be 516 upscale residential housing units built in four phases, ranging from 969 to 2,500 square feet. The residential village, totaling 17.2 acres and consisting of four distinct styles, will act as the cornerstone of Pacific City, allowing residents close access to shops, restaurants with 48,900 square feet of restaurant space and 30,000 square feet of office space. This community will encompass 191,000 square feet of the retail center featuring luxurious retail brands, prime office space, dining and entertainment. Pacific City is expected to open in late 2009. The "W" is the hotel operator for the boutique hotel that will feature 157 rooms and is expected to open by 2010.

Surf City Nights is a street fair/farmer's market that takes place from 5-9 p.m. on Tuesday nights in the first three blocks of downtown Main Street between Pacific Coast Highway and Orange Avenue. Surf City Nights began as a three-month trial street closure of Main Street and developed into a weekly, year-round event. The fair was created and maintained in partnership between the City of Huntington Beach and the Downtown Business Improvement District. Historically, Tuesdays had been the slowest evening in the downtown. Due to the success of the event, residents and visitors regularly take an evening stroll and dine at local restaurants. The street fair includes a farmer's market, live entertainment, children's activities, retail sales, food,



**Redevelopment Agency of the City of Huntington Beach
Management's Discussion and Analysis
For the Year Ended September 30, 2007**

arts and crafts. Surf City Nights headlined as the second biggest story of the year in the Orange County Register and local LA Times December issue.

Bella Terra, formerly known as Huntington Center which was an outdated 56.5-acre retail property, has been transformed into an entertainment/life style center. In 2005, while the mall was still under construction, Bella Terra Associates LLC, a partnership between DJM Capital and Jh Snyder, purchased the property. The Redevelopment Agency approved Bella Terra Associates LLC to assume the rights and responsibilities of the Owner Participation Agreement in order to complete the project. The First Implementation Agreement to the OPA terminated the vacant Montgomery Wards parcel from the OPA and provided for a \$1.5 million implementation fee to the Agency. With the approval of the Second Implementation Agreement on September 17, 2007, the Agency was required to commence payment of its obligation of \$15 million to the developer. The Redevelopment Agency has paid \$2,207,000 towards its obligation to the developer leaving an estimated balance of \$14,855,000 as of September 30, 2007. The approximate 1,532 space public parking garage, funded by the Community Facilities District 2003-1 (Huntington Center), opened on October 1, 2005. Bella Terra Associates LLC also purchased the former Montgomery Wards 13.5 acre portion of the site that has been left vacant for a number of years. Negotiations are commencing to develop the parcel within the next three years. The environmental review process has begun for the proposed mix-use project that will consist of 156,000 square feet of retail and 503-700 residential units.

Specific and Economic Revitalization Plan for Beach Boulevard and Edinger Corridor -- On December 18, 2006 the Agency approved a professional services agreement with Tierra West Advisors, LLC for the preparation of an Economic Revitalization Strategic Plan to enhance and maximize the potential of these major thoroughfares. A real estate market analysis of existing conditions along the corridors has begun. This analysis will support the rationale for possible land-use changes that are based upon economic trends and community goals. In support of long range planning efforts, the work is being conducted in conjunction with planning firm Freedman, Tung and Bottomley (FTB) for the Specific Plan and Land Use/Planning aspects. Four community meetings have been held. The preliminary results of those meetings were presented at a City Council Study Session on January 7, 2008. The Revitalization Strategic Plan and Specific Plans for the corridors are expected to be completed in late 2008.

Downtown Specific Plan (DTSP) and Downtown Parking Master Plan -- On July 16, 2007 the Agency approved professional services contracts with RRM Design Group and Kimley-Horn and Associates, Inc. (KHA) to provide consulting services for the update to the Downtown Specific Plan (DTSP) and Downtown Parking Master Plan (DPMP). RRM Design Group is responsible for developing land use provisions and urban design guidelines that support and encourage a mixed-use development community. The planning consultant is working with KHA, a traffic/parking consultant that specializes in the analysis of parking in a downtown setting, who has the responsibility of amending the DPMP. To accomplish this, KHA will utilize "shared



Redevelopment Agency of the City of Huntington Beach Management's Discussion and Analysis For the Year Ended September 30, 2007

use" parking strategies and other innovative approaches used in regulating downtown parking. The first community work shop was held on November 27, 2007.

The Hyatt Regency Huntington Beach Resort and Spa -- The 517-room Hyatt Regency Huntington Beach Resort & Spa and its Conference Center opened for business on January 19, 2003. Developer's Advance Loan Balance is estimated at \$7,215,729 as of December 2007. The hotel paid its second Participation Payment to the Agency during this past year. The project also pays lease payments to the Agency on an annual basis.

Capital Improvements/Facilities -- The one time revenue of \$19 Million from the Redevelopment Agency's participation payments from the Waterfront Residential project is funding various public improvements within the City's Merged Redevelopment Project Area. The revenue received during 2004-2006 will be expended over several years through the City's Capital Improvement Program (CIP). Through the CIP, approximately \$16 Million has been allocated for capital projects that include the Civic Center seismic retrofit (matched with FEMA funds), drainage improvements, concrete and asphalt replacement, streetlight replacements, restrooms north of the pier, permanent buildings on the pier and a visitor's kiosk at the Pier Plaza, internal building modifications for the Main Street Library, and fire station renovations. The Surf City Nights project is also funded through this revenue source.

Southeast Coastal Project Area

Utility Undergrounding -- Southern California Edison is taking the lead in doing the design work for under-grounding the Edison utilities along PCH and is working with City staff, CalTrans, and the California State Beaches Department.

Seawater Desalination Facility -- The Redevelopment Agency approved an Owner Participation Agreement (OPA), dated February 27, 2006, with Poseidon Resources Corporation to provide for the development of a seawater desalination plant on property leased from the AES Corporation. The Agreement containing the covenants affecting the real property was recorded on June 8, 2006. AES is in the process of removing storage tanks on this property.

Magnolia Street Sidewalk & Lighting -- The construction of a sidewalk and installation of pedestrian lighting on both sides of Magnolia Street was included in the Capital Improvement Program (CIP) budget for \$500,000.

Housing Activities

Habitat for Humanity (Patterson Delaware site) -- The Redevelopment Agency has acquired a vacant parcel at 1854 Patterson Lane for \$522,500 using Housing Set Aside funds for a Habitat for Humanity project. Two single family homes will be built on the site. The original plan was to install two manufactured homes on the site however the company offering the homes withdrew their offer due to economic reasons. The homes will now be conventional built homes following the Habitat for Humanity model of the homeowners contributing sweat equity.



**Redevelopment Agency of the City of Huntington Beach
Management's Discussion and Analysis
For the Year Ended September 30, 2007**

Jamboree Housing I, II, and III -- The Agency and City of Huntington Beach assisted Jamboree Housing Corporation, an Orange County based non-profit housing developer and designated CHDO (*Community Housing Development Organization*), to acquire and rehabilitate two five-plex apartment buildings in the Oakview sub-area. This represents the first acquisition/rehab projects developed in the City of Huntington Beach by Jamboree and one of several housing projects planned for the Oakview sub-area using HOME and redevelopment housing set-aside funds. The City and Agency are also in the process of assisting Jamboree with the acquisition of a third property, a four-unit building that will close escrow after the 2006-07 fiscal year. Jamboree will provide on-site management and tenant services for the tenants they serve as more properties are acquired and rehabilitated.

Garfield and Delaware Affordable Housing Project -- The City of Huntington Beach acquired property at the northeast corner of Delaware St. and Garfield Ave. as part of a street widening project. It is expected that the Agency will purchase the property from the City and thereafter develop affordable housing on the parcel. It is anticipated that the project will be presented to the Agency and City Council sometime during fiscal year 2008/2009.

CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Agency's finances and to show the Agency's accountability for the money it receives. If you have questions about this report or need any additional financial information, please contact the Finance Department: at 2000 Main Street, Huntington Beach, California, 92648, phone (714) 536-5360, or e-mail cgonzales@surfcity-hb.org. You can also visit the City's website at www.surfcity-hb.org for additional copies of this report.

**REDEVELOPMENT AGENCY OF THE
CITY OF HUNTINGTON BEACH
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2007
(In Thousands)**

	Governmental Activities
ASSETS	
Current Assets:	
Cash and Investments	\$ 28,612
Restricted Cash with Fiscal Agent	2,462
Taxes Receivable	4,065
Other Receivables	<u>12,731</u>
Total Current Assets	<u>47,870</u>
Non-Current Assets:	
Land Held for Resale	2,682
Capital Assets (non-depreciable)	<u>17,153</u>
Total Non-Current Assets	<u>19,835</u>
TOTAL ASSETS	<u>67,705</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable and Accrued Liabilities	207
Accrued Interest Payable	276
Accrued Payroll	24
Deposits	130
Unearned Revenue	11,435
Long-Term Debt - Due Within One Year	<u>1,480</u>
Total Current Liabilities	<u>13,552</u>
Non-Current Liabilities:	
Long-Term Debt to the City of Huntington Beach and Component Units	85,369
Other Long-Term Debt	<u>50,378</u>
TOTAL LONG-TERM LIABILITIES	<u>135,747</u>
TOTAL LIABILITIES	<u>149,299</u>
NET ASSETS	
Investment in Capital Assets	17,153
Restricted for:	
Low-Income Housing	10,135
Unrestricted	<u>(108,882)</u>
TOTAL NET ASSETS (DEFICIT)	<u>\$ (81,594)</u>

REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2007
(In Thousands)

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Charges for Current Service	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental Activities:				
Economic Development	\$ 5,182	\$ -	\$ -	\$ (5,182)
City Attorney	88	-	-	(88)
Public Works	179	-	-	(179)
Non-departmental	198	-	-	(198)
Interest	7,739	-	-	(7,739)
Total Governmental Activities	13,386	-	-	(13,386)
General Revenues:				
Taxes:				
Property Taxes				17,510
Other Revenue:				
Use of Money and Property				2,690
Participation Payments				1,564
Other				9
Total Other Revenue				4,263
Total General Revenue				21,773
Change in Net Assets				8,387
Net Deficit - October 1, 2006				(89,981)
Net Deficit - September 30, 2007				\$ (81,594)

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**REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH
BALANCE SHEET - GOVERNMENTAL FUNDS**

September 30, 2007

(In Thousands)

ASSETS:

Cash and investments
Restricted cash with fiscal agent
Due from other funds
Taxes receivable
Other receivables
Advances to other funds
Land held for resale, net

TOTAL ASSETS

Capital Projects Funds			
Huntington Beach Project Area #1	Southeast Coastal Project Area	Low-Income Housing Fund	Total Capital Projects Funds
\$ 17,019	\$ -	\$ 10,471	\$ 27,490
-	-	-	-
3,213	-	-	3,213
-	-	-	-
1,168	-	11,554	12,722
302	-	2,094	2,396
2,682	-	-	2,682
\$ 24,384	\$ -	\$ 24,119	\$ 48,503

LIABILITIES AND FUND BALANCE

LIABILITIES:

Accounts payable and accrued liabilities
Accrued payroll
Due to Other Funds
Deposits
Deferred property taxes
Deferred revenue
Advances from other funds

TOTAL LIABILITIES

\$ 193	\$ -	\$ 14	\$ 207
20	-	4	24
-	190	-	190
130	-	-	130
-	-	-	-
-	-	11,435	11,435
2,094	-	-	2,094
2,437	190	11,453	14,080

FUND BALANCE:

Fund balances:

Reserved for long - term receivables
Reserved for encumbrances
Reserved for advances to other funds
Reserved for land held for resale
Reserved for low - income housing
Reserved for future expenditures
Total Reserved
Unreserved

TOTAL FUND BALANCE

TOTAL LIABILITIES AND FUND BALANCE

1,228	-	-	1,228
3,342	-	437	3,779
-	-	2,094	2,094
2,682	-	-	2,682
-	-	10,135	10,135
60	-	-	60
7,312	-	12,666	19,978
14,635	(190)	-	14,445
21,947	(190)	12,666	34,423
\$ 24,384	\$ -	\$ 24,119	\$ 48,503

Debt Service Funds			
Huntington Beach Project Area #1	Southeast Coastal Project Area	Total Debt Service Funds	Total All Funds
\$ -	\$ 1,122	\$ 1,122	\$ 28,612
2,462	-	2,462	2,462
-	-	-	3,213
4,049	16	4,065	4,065
-	9	9	12,731
-	-	-	2,396
-	-	-	2,682
\$ 6,511	\$ 1,147	\$ 7,658	\$ 56,161

\$ -	\$ -	\$ -	\$ 207
-	-	-	24
3,020	3	3,023	3,213
-	-	-	130
2,952	-	2,952	2,952
-	-	-	11,435
-	302	302	2,396
5,972	305	6,277	20,357

-	-	-	1,228
-	-	-	3,779
-	-	-	2,094
-	-	-	2,682
-	-	-	10,135
539	842	1,381	1,441
539	842	1,381	21,359
-	-	-	14,445
539	842	1,381	35,804
\$ 6,511	\$ 1,147	\$ 7,658	\$ 56,161

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**REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2007
(In Thousands)**

Total Fund Equity Governmental Funds	\$ 35,804
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds	17,153
Property tax revenues collected more than 60 days after fiscal year are not current financial resources and, therefore are deferred in the funds	2,952
Accrued interest payable on Long-term Debt	(276)
Long-term Liabilities, including bonds and certificates of participation payable are not due and payable in the current period and therefore are not reported in the funds	(137,227)
Net Assets (Deficit) of Governmental Activities	\$ (81,594)

**REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007
(In Thousands)**

REVENUES:

Tax increment (Note 4)
Use of money and property
Participation payments
Other revenue
TOTAL REVENUES

Capital Projects Funds			
Huntington Beach Project Area #1	Southeast Coastal Project Area	Low-Income Housing Fund	Total Capital Projects Funds
\$ -	\$ -	\$ -	-
1,817	-	641	2,458
1,564	-	-	1,564
9	-	-	9
3,390	-	641	4,031

EXPENDITURES:

Current:

Economic Development
City Attorney
Public Works
Non-departmental
Capital outlay

Debt service:

Bond & Other Debt:
Principal
Interest

TOTAL EXPENDITURES

EXCESS OF REVENUES OVER (UNDER) EXPENDITURES

OTHER FINANCING SOURCES (USES):

Transfers in
Transfers out

TOTAL OTHER FINANCING SOURCES (USES)

NET CHANGES IN TOTAL FUND BALANCE

FUND BALANCES - BEGINNING OF YEAR

Prior Period Adjustments

FUND BALANCES - BEGINNING OF YEAR AS RESTATED

FUND BALANCES - END OF YEAR

1,209	-	679	1,888
88	-	-	88
179	-	-	179
20	11	2	33
390	-	858	1,248
-	-	-	-
-	-	-	-
1,886	11	1,539	3,436
1,504	(11)	(898)	595
-	-	3,062	3,062
-	-	-	-
-	-	3,062	3,062
1,504	(11)	2,164	3,657
20,443	(179)	10,502	30,766
-	-	-	-
20,443	(179)	10,502	30,766
\$ 21,947	\$ (190)	\$ 12,666	\$ 34,423

Debt Service Funds			
Huntington Beach Project Area #1	Southeast Coastal Project Area	Total Debt Service Funds	Total All Funds
\$ 15,013	\$ 296	\$ 15,309	\$ 15,309
191	41	232	2,690
-	-	-	1,564
-	-	-	9
15,204	337	15,541	19,572
1,991	55	2,046	3,934
-	-	-	88
-	-	-	179
164	1	165	198
-	-	-	1,248
8,574	-	8,574	8,574
1,541	-	1,541	1,541
12,270	56	12,326	15,762
2,934	281	3,215	3,810
-	-	-	3,062
(3,003)	(59)	(3,062)	(3,062)
(3,003)	(59)	(3,062)	-
(69)	222	153	3,810
(83,988)	111	(83,877)	(53,111)
84,596	509	85,105	85,105
608	620	1,228	31,994
\$ 539	\$ 842	\$ 1,381	\$ 35,804

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**REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
September 30, 2007**

Net Changes in Fund Balances - Total Governmental funds	\$ 3,810
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Amounts reported for governmental activities in the Statement of Activities are different because:

Accrual of Revenues - Certain revenues in the Statement of Activities do not meet the "availability" criteria for revenue recognition in the governmental funds and are not reported in the governmental funds as revenue

Current Year Property Tax Accrual	2,952
Prior Year Property Tax Accrual	(751)

Accrual of Revenues - Certain revenues in the Statement of Activities do not meet the "availability" criteria for revenue recognition in the governmental funds and are not reported in the governmental funds as revenue.

Current Year Property Tax Accrual	282
Prior Year Property Tax Accrual	(276)

Long-term debt - Issuances and changes in long-term debt (bonds, leases, certificates of participation, compensated absences, etc) provide current financial resources to governmental funds, while a repayment of this debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, etc. when debt is first issued. These amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of the differences in the treatment of long-term debt and related items

(6,204)

Payments of Long-Term Debt - Principal payments on long-term debt are recorded as an expenditure in the governmental funds and a reduction of liability in the government-wide statements.	8,574
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Change in Net Assets of Governmental Activities	<u>\$ 8,387</u>
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Redevelopment Agency of the City of Huntington Beach
Notes to Financial Statements
For the Year Ended September 30, 2007

1. ORGANIZATION

The Redevelopment Agency of the City of Huntington Beach (the Agency) is a blended component unit of the City of Huntington Beach (the City). The City Council is the governing board of the Agency. The Agency was formed by ordinance in 1967 to encourage private development of areas that are considered blighted. The Agency adopts project areas, by public votes, which qualify under the California Health and Safety Code.

The following project areas have been adopted:

<u>Project Area</u>	<u>Year Adopted</u>	<u>Status</u>
Main/Pier	1982 (amended in 1983)	Merged into Huntington Beach Project Area #1
Talbert/Beach	1982	Merged into Huntington Beach Project Area #1
Oakview	1982 (amended in 1989)	Merged into Huntington Beach Project Area #1
Yorktown/Lake	1982	Merged into Huntington Beach Project Area #1
Huntington Center	1984	Merged into Huntington Beach Project Area #1
Huntington Beach Project Area #1	1997	Created from five existing project areas
Southeast Coastal Project Area	2002	Began operations in 2002

The Agency's project area requires that 20% of tax increment revenue be used to promote affordable housing citywide.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Government – Wide Financial Statements

The Agency's Government-Wide Financial Statements include a Statement of Net Assets and a Statement of Activities and Changes in Net Assets. These statements present summaries of Governmental activities for the Agency accompanied by a total column. Fiduciary activities of the Agency are not included in these statements. These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the Agency's assets and liabilities, including capital assets, and long-term liabilities, are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.



Redevelopment Agency of the City of Huntington Beach
Notes to Financial Statements
For the Year Ended September 30, 2007

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a. Government – Wide Financial Statements (Continued)

The statement of activities demonstrates the degree with which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses are allocated to the various functions based on a proportionate use of services. The types of transactions reported as program revenues for the Agency are reported in three categories: 1) charges for services, 2) operating grants and other contributions, 3) capital grants and other contributions. Taxes and other items not properly included among program revenues are reported as general revenues.

Government-Wide financial statements do not provide information by fund or account group. They simply distinguish between governmental and business activities. All of the Agency's activities are governmental activities. The Agency's Statement of Net Assets includes both current and non-current assets and liabilities.

Financial Statement Classification

In the Government-Wide financial statements net assets are classified in the following categories:

Invested In Capital Assets, Net of Related Debt – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted Net Assets – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. This category presents restrictions placed on the categories of Capital Projects, Debt Service, and Specific Projects and Programs as established by the City Council.

Unrestricted Net Assets – represent the net assets of the Agency, not restricted for any project or other purpose.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.



Redevelopment Agency of the City of Huntington Beach
Notes to Financial Statements
For the Year Ended September 30, 2007

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b. Fund Financial Statements

In the Funds financial statements, reserves and designations segregate portions of fund balance that are either not available or have been earmarked for specific purposes. The various designations are established by actions of the City Council and Management and can be increased, reduced or eliminated by similar actions.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the Agency, are property taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

All Agency funds are reported as major funds:

Capital Project Funds:

- Huntington Beach Project Area #1
- Southeast Coastal Project Area
- Low-Income Housing Fund

Debt Service Funds:

- Huntington Beach Project Area #1
- Southeast Coastal Project Area



**Redevelopment Agency of the City of Huntington Beach
Notes to Financial Statements
For the Year Ended September 30, 2007**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b. Fund Financial Statements (Continued)

Governmental Fund Financial Statements

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances. An accompanying schedule is presented to reconcile and explain the differences in fund balances as presented in these statements to the net assets presented in the Government-Wide Financial Statements.

c. Investment Income Allocation

The City of Huntington Beach allocates investment income to funds based on month-end cash balances. Since the Agency pools its cash with the City (see Note 3), the Agency receives monthly allocations of investment income.

d. Special Agency Accounting

The Agency follows the special accounting procedures required by the California Health and Safety Code. These procedures comply with generally accepted accounting principles for governmental agencies.

e. Self-Insurance

The Agency is self-insured through the City of Huntington Beach. All required information is included in the City of Huntington Beach Comprehensive Annual Financial Report for the year ended September 30, 2007.

f. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure, are reported in the governmental activities column in the government-wide financial statements. Capital assets have an acquisition cost of \$10,000 or greater and a useful life of two years or more. The Agency records all purchased capital assets at historical cost (where historical records are available) and at estimated historical cost where no historical records exist. The Agency's only capital asset is land.

g. Interfund Transactions

As a general rule, interfund transactions have been eliminated from the government-wide financial statements. These interfund transactions would distort the direct costs and program revenues for the various functions



**Redevelopment Agency of the City of Huntington Beach
Notes to Financial Statements
For the Year Ended September 30, 2007**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h. Long Term Obligations

In the government-wide financial statements, long-term obligations are recorded as liabilities in the governmental activities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt. In the governmental fund financial statements, bond discounts and premiums are recognized as an other financing source or use. Issuance costs are recorded as current year expenditure.

i. Employee Compensated Absences

The City records the cost of all accumulated and unused leave time (vacation, sick, comp) as a liability when earned in the Government-Wide financial statements. Liabilities for these amounts in the governmental funds are only recorded if they have matured (employee resignations or retirements).

j. Property Tax Revenue

Property tax in California is levied according to Article 13-A of the California Constitution. The basic levy is a countywide-levy of one percent of total assessed valuation and is allocated to county governments, school districts, cities and special districts. Additional levies require two-thirds approval by voters and are allocated directly to the specific government.

In the Government-Wide financial statements, property tax is recorded when earned, regardless of when levied, due, or received. In the fund financial statements, property tax revenue is recognized in the fiscal year levied provided that revenue is collected in time to pay current year liabilities. Deferred property tax revenue represents property taxes related to the current fiscal year that are collected more than 60 days after the fiscal year end. Since the Agency's fiscal year differs from the County's property tax year, there is a difference between the property tax revenue recorded on the fund financial statements and the Government-Wide financial statements which is noted as a reconciling item in both the Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities and the Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets.

The County acts as a collection agent for property tax for all of the local governmental units. Property taxes are normally collected twice per year. The property tax calendar is as follows.



**Redevelopment Agency of the City of Huntington Beach
Notes to Financial Statements
For the Year Ended September 30, 2007**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. Property Tax Revenue (Continued)

- Lien Date-January 1 - Prior Fiscal Year
- Levy Date-July 1 - Prior Fiscal Year
- Due Date, First Installment - November 10
- Due Date, Second Installment - February 10
- Delinquent Date, First Installment - December 10
- Delinquent Date, Second Installment - April 10

The taxes are paid to the local governments periodically during the year. Below are the dates of the payments from the County:

- | | |
|----------------------------------|----------------------|
| • Payments of First Installment | November to December |
| • Balance of First Installment | February 1 |
| • Payments of Second Installment | March to April |
| • Balance of Second Installment | July 26 |

k. Estimates

The accompanying financial statements require management to make estimates and assumptions that effect certain report amounts and disclosures. Actual results could differ from those estimates.

3. CASH AND INVESTMENTS

The Agency's cash and investments are pooled with the City. The Agency holds a proportionate interest in the amount of \$28,612,000. The Restricted Cash with Fiscal Agent, totaling \$2,462,000 is made up of GIC and money market accounts. The GIC providers are rated by Standard and Poor's at AAA and AA and Aaa or Aa respectively. Standard and Poor's and Moody's have rated the money market funds in our portfolio as AAA. The Restricted Cash with Fiscal Agent that is in LAIF or money market accounts is due upon demand while the amount with GIC has a maturity of over five years. For further information such as credit risk and categorization of the cash and investments, see the City's Comprehensive Annual Financial Report for the fiscal year ended September 30, 2007.



Redevelopment Agency of the City of Huntington Beach
Notes to Financial Statements
For the Year Ended September 30, 2007

4. TAX INCREMENT REVENUE AND FINANCING

The Agency's primary source of revenue is tax increment. Tax increment revenue is computed as follows:

- When a project area is adopted, the County of Orange Auditor/Controller freezes all of the existing property's assessed value. The County distributes taxes received from this frozen valuation to the various governmental agencies as if the project area did not exist.
- The Agency receives 100% of taxes (not including certain pass-through agreements) received from increases in assessed valuation due to new construction, resale of existing property and annual increases allowed under Article 13-A of the California Constitution.

The increment is used to repay the debt of the Agency (see Note 6).

5. CAPITAL ASSETS

The changes in capital assets (land) during the year were (in thousands):

Balance, October 1, 2006	\$ 17,153
Additions/Retirements	-
Balance, September 30, 2007	<u>\$ 17,153</u>



Redevelopment Agency of the City of Huntington Beach
Notes to Financial Statements
For the Year Ended September 30, 2007

6. LONG-TERM DEBT

The changes in Agency long-term debt during the year were (in thousands):

	Balance October 1, 2006	Additions	Retirements	Balance September 30, 2007	Amount Due within One Year
DEBT TO CITY OF HUNTINGTON BEACH:					
Advances from General Fund	\$ 11,165	\$ 476	\$ (432)	\$ 11,209	\$ -
Advances from Sewer Fund	229	10	-	239	-
Advances from Drainage Fund	552	24	-	576	-
Advances from Water Fund	3,420	146	-	3,566	-
Deferred Development Fees:					
Park Acquisition and Development Fund	337	14	-	351	-
Sewer Fund	143	6	-	149	-
Drainage Fund	152	6	-	158	-
Deferred Payment on Land Purchases from City:					
General Fund	64,560	2,750	(2,928)	64,382	-
Park Acquisition and Development Fund	4,545	194	-	4,739	-
Total Debt - City of Huntington Beach	85,103	3,626	(3,360)	85,369	-
OTHER DEBT					
Help Loan	500	-	-	500	-
Mayer Disposition and Development Agreement	8,197	496	(1,592)	7,101	-
1999 Refunding Tax Allocation Bonds	8,155	-	(365)	7,790	380
2002 Tax Allocation Refunding Bonds	17,910	-	(815)	17,095	845
Bella Terra Parking	15,000	2,062	(2,207)	14,855	-
Section 108 Loan	4,715	-	(235)	4,480	255
Employee Compensated Absences	17	20	-	37	-
Total Other Debt	54,494	2,578	(5,214)	51,858	1,480
Total Agency Debt	\$ 139,597	\$ 6,204	\$ (8,574)	\$ 137,227	\$ 1,480



Redevelopment Agency of the City of Huntington Beach
Notes to Financial Statements
For the Year Ended September 30, 2007

6. LONG-TERM DEBT (CONTINUED)

a. Advances from General Fund

Year(s) debt incurred	1985 to 1996
Interest rate	4.26%
Principal amount	\$10,802,000
Accrued interest	\$ 407,000
Purpose of debt	Operating, administrative and capital expenditures
Security for debt	Operative Agreement with City
Repayment terms	None

b. Advances from City's Sewer Fund

Year(s) debt incurred	1989
Interest rate	4.26%
Principal amount	\$130,560
Accrued interest	\$108,156
Purpose of debt	Sewer Construction
Security for debt	Operative Agreement with City
Repayment terms	None

c. Advances from City's Drainage Fund

Year(s) debt incurred	1987
Interest rate	4.26%
Principal amount	\$250,000
Accrued interest	\$325,305
Purpose of debt	Drainage Construction
Security for debt	Operative Agreement with City
Repayment terms	None



**Redevelopment Agency of the City of Huntington Beach
Notes to Financial Statements
For the Year Ended September 30, 2007**

6. LONG-TERM DEBT (CONTINUED)

d. Advances from City's Water Fund

Year(s) debt incurred	1986 and 1987
Interest rate	4.26%
Principal amount	\$1,138,000
Accrued interest	\$2,428,000
Purpose of debt	Water Construction
Security for debt	Operative Agreement with City
Repayment terms	None

e. Deferred Development Fees

Year(s) debt incurred	1984
Interest rate	4.26%
Principal amount	\$339,202
Accrued interest	\$319,241
Purpose of debt	Developer Incentive
Security for debt	Operative Agreement with City
Repayment terms	None

f. Deferred Payment on Land Purchases from City's General Fund

Year(s) debt incurred	1983 to 1992
Interest rate	4.26% (current fiscal year)
Principal amount	\$32,833,417
Accrued interest	\$31,548,249
Purpose of debt	Parcel consolidation and development
Security for debt	Operative Agreement with City
Repayment terms	None



Redevelopment Agency of the City of Huntington Beach
Notes to Financial Statements
For the Year Ended September 30, 2007

6. LONG-TERM DEBT (CONTINUED)

h. Deferred Payment on Land Purchases from City's Park Acquisition and Development Fund

Year(s) debt incurred	1984
Interest rate	4.26%
Principal amount	\$1,740,834
Accrued interest	\$2,998,237
Purpose of debt	Emerald Cove Land
Security for debt	Operative Agreement with City
Repayment terms	None

i. Notes Payable

Year(s) debt incurred	2003
Interest rate	3.00%
Principal amount	\$500,000
Purpose of debt	Affordable housing
Security for debt	Note with developer
Repayment terms	Deferred for 10 yrs

j. Mayer Disposition and Development Agreement

In fiscal year 1996-97, the Agency entered into a disposition and development agreement with Robert Mayer Corporation (Corporation) concerning additional development adjacent to the Waterfront Hotel. Under the agreement, the Corporation would advance payments for the project costs with the Agency reimbursing up to \$16,750,000 of the costs. As of September 30, 2007, the Agency obligation under the agreement amounted to \$7,101,000. Project-generated revenues as available will repay these amounts over the time needed to fully amortize the advance.

k. 1999 Tax Allocation Refunding Bonds

Year(s) debt incurred	1999
Interest rate	3.00% to 5.05%
Original principal amount	\$10,835,000
Purpose of debt	Prepay Agency's 1992 Loans to Public Financing Authority
Security for debt	Redevelopment Agency Tax Increment, excluding Low- Income Housing Amounts
Repayment terms	Principal, August 1 st , Interest, February 1 st and August 1 st

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Redevelopment Agency of the City of Huntington Beach
Notes to Financial Statements
For the Year Ended September 30, 2007

6. LONG-TERM DEBT (CONTINUED)

Debt service requirements to maturity are as follows (in thousands):

Year Ending September 30,	Principal	Interest	Total
2008	380	365	745
2009	390	350	740
2010	410	334	744
2011	430	317	747
2012	450	298	748
2013-2017	2,575	1,165	3,740
2018-2022	2,370	520	2,890
2023-2024	785	57	842
Total	\$ 7,790	\$ 3,406	\$ 11,196

I. 2002 Tax Allocation Refunding Bonds

Year of Issuance	2002
Type of Debt	Tax Allocation Refunding Bonds
Original Principal Amount	\$20,900,000
Security	Tax Increment
Interest Rates	2.00% to 5.00%
Interest Payment Dates	February 1 st and August 1 st
Principal Payment Dates	August 1 st
Purpose of Debt	Prepay Agency's 1992 Loans to Public Financing Authority and fully deacease 1992 Public Financing Authority bonds

Debt service requirements to maturity are (in thousands):

Year Ending September 30,	Principal	Interest	Total
2008	845	771	1,616
2009	870	742	1,612
2010	910	712	1,622
2011	945	678	1,623
2012	995	641	1,636
2013-2017	5,650	2,540	8,190
2018-2022	5,180	1,134	6,314
2023-2024	1,700	124	1,824
Total	\$ 17,095	\$ 7,342	\$ 24,437



Redevelopment Agency of the City of Huntington Beach
Notes to Financial Statements
For the Year Ended September 30, 2007

6. LONG-TERM DEBT (CONTINUED)

m. Bella Terra Parking Structure

In fiscal year 2005-06, the agency entered into an owner participation agreement with Bella Terra Associates, LLC (formerly Huntington Center Associates, LLC). Under the agreement the Corporation would construct various public improvements, including a parking structure, which would then be deeded to the City. The Agency would reimburse \$15,000,000 of the costs of the public improvements. As of September 30, 2007, the Agency obligation under the agreement amounted to \$14,855,000. Project-generated revenues as available will repay these amounts over the time needed to fully amortize the advance.

n. Section 108 Loan

Year of Issuance	2000
Type of Debt	Loan from Federal Government
Original Principal Amount	\$6,000,000
Security	Loan Agreement with Federal Government
Interest Rates	7.7%
Interest Payment Dates	February 1 st and August 1 st
Principal Payment Dates	August 1 st
Purpose of Debt	Capital Improvements

Debt service requirements to maturity are (in thousands):

Year Ending September 30,	Principal	Interest	Total
2008	255	346	601
2009	270	327	597
2010	290	308	598
2011	310	286	596
2012	330	263	593
2013-2017	2,015	897	2,912
2018-2019	1,010	122	1,132
Total	4,480	2,549	7,029

o. Employee Compensated Balances

There is no fixed repayment to pay the compensated absences liability totaling \$37,000 at year-end.



**Redevelopment Agency of the City of Huntington Beach
Notes to Financial Statements
For the Year Ended September 30, 2007**

7. RETIREMENT PLAN INFORMATION

The Agency is a component unit of the City. For retirement purposes, all Agency employees are considered to be employees of the City. No separate valuations are made for the Agency. All retirement information for the City as a whole is included in the City's Comprehensive Annual Financial Report.

8. AGENCY AGREEMENTS

a. Pass-Through Agreements

The Agency entered into various "pass-through" agreements with local governmental agencies where a portion of tax increment is paid to the individual agencies. There was no amount payable at year-end.

b. Pacific City

On October 16, 2006 the Redevelopment Agency approved an Owner Participation Agreement with Makallon Atlanta Huntington Beach, LLC (also known as Makar) to develop a 31-acre site in the Main-Pier sub-area of the Huntington Beach Redevelopment Project (Pacific City). Makar will advance \$5,500,000 to the Redevelopment Agency to fund the Agency's obligation for the Regional Urban Runoff Treatment System and the Pacific View Drive Extension. The advance will be repaid over 20 years from tax increment generated from the site. As of September 30, 2007 no amount has been advanced to the City.

c. CIM Group, LLC – Disposition and Development Agreement

In June 1999, the Redevelopment Agency entered into a disposition and development agreement with the CIM Group, LLC to allow development of a hotel, retail and restaurant improvements and a public parking facility. The project costs are to be paid initially by the developer with the Agency reimbursing the developer a maximum of \$7.9 million pursuant to a Third Implementation Agreement approved on October 21, 2002. The Fourth Implementation Agreement provided a maximum Agency cost for additional parking spaces \$1,500,000. The Fifth Implementation Agreement, dated July 19, 2004, clarified certain provisions in the DDA relating to the Agency Participation Payment, Acquisition costs and indemnification obligations. A Sixth Implementation Agreement and the 33433 Report are scheduled to be presented to the Redevelopment Agency in spring 2008. As of September 30, 2007 no amount has been advanced to the City.



**Redevelopment Agency of the City of Huntington Beach
Notes to Financial Statements
For the Year Ended September 30, 2007**

8. AGENCY AGREEMENTS (Continued)

d. Southeast Coastal Redevelopment Project

On September 2, 2003, the Redevelopment Agency Approved a Cooperation Agreement Regarding Capital Improvements in the Southeast Coastal Redevelopment Project within the City. This agreement commits the Redevelopment Agency to reimburse the City for a number of capital improvement projects to be undertaken as part of the Five Year Capital Improvement Program in the Southeast Redevelopment project area. The status of the major Southeast Coastal Redevelopment projects is as follows:

Utility Undergrounding -- Southern California Edison is taking the lead in doing the design work for under grounding the Edison utilities along PCH and is working with City staff, CalTrans, and the California State Beaches Department.

Seawater Desalination Facility -- The Redevelopment Agency approved an Owner Participation Agreement (OPA), dated February 27, 2006, with Poseidon Resources Corporation to provide for the development of a seawater desalination plant on property leased from the AES Corporation. The Agreement containing the covenants affecting the real property was recorded on June 8, 2006. AES is in the process of removing storage tanks on this property. As of September 30, 2007 no amount has been advanced to the City.

Magnolia Street Sidewalk & Lighting -- The construction of a sidewalk and pedestrian lighting on both sides of Magnolia Street was included in the Capital Improvement Program.

9. NOTES RECEIVABLE

a. Owner Participation Agreement -- Abdelmuti

In 1991, the Agency agreed to assist a private business in the demolition and the construction of a new building. The Agency agreed to make public improvements totaling \$500,000 and to loan the business \$3,126,000 for 15 years at 7% interest to make building improvements. At year-end, the balance of the loan was \$728,000. The note was refinanced and the City was paid in full for the remaining amount owed in December of 2007.

b. Deferred Loans -- Developers

The Agency has made loans available to developers to construct or rehabilitate certain facilities under deferred loan agreements. These loans are deferred until a future event occurs, such as a sale of the property by the developer. At year-end, the amounts of these loans were \$11,435,000.

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Redevelopment Agency of the City of Huntington Beach
Notes to Financial Statements
For the Year Ended September 30, 2007

9. NOTES RECEIVABLE (Continued)

c. Notes Receivable

A summary of Notes Receivable as of September 30, 2007 is as follows:

Description	Amount
OPA - Abdelmuti Receivable	\$ 728,000
Deferred Loans Receivable	\$ 11,435,000
Other Receivables	\$ 569,000
Total	<u>\$ 12,732,000</u>

10. PENDING LITIGATION

There are legal actions pending against the Agency resulting from normal operations. The Agency's Counsel feels these actions will not have a significant impact on these financial statements.

11. OTHER

The Agency's combined net assets for the year ended September 30, 2007 were a negative \$(81,594,000). This is mainly because of how Redevelopment Agencies are required to operate under state law. Redevelopment Agencies incur debt in order to make expenditures, which result in increased public and private investment in a redevelopment area, which in turn generate property tax increment to repay the debt over time. Redevelopment Agencies can only collect property tax increment to the extent it has debt on the books.

12. PRIOR PERIOD ADJUSTMENT

In prior years the Agency recorded loans from the City as a debt in the fund statements. This should only be recorded in the Government wide statement. Below is a schedule (in 000's) showing the restatement of beginning fund balance to show this change.

Combined Statement of Revenues, Expenditures and Changes in Fund Balance	Debt Service Fund - Huntington Beach Project Area #1	Debt Service Fund - Southeast Coastal Project Area
Fund Balance - Beginning of the Year	\$ (83,988)	\$ 111
Prior Period Adjustment	84,596	509
Fund Balance - Beginning of year as restated	<u>\$ 608</u>	<u>\$ 620</u>

REDEVELOPMENT AGENCY OF THE CITY OF HUNTINGTON BEACH
CALCULATION OF LOW/MODERATE INCOME HOUSING FUNDS - EXCESS SURPLUS
October 1, 2006
(IN THOUSANDS)

ENDING FUND BALANCE - OCTOBER 1, 2006	\$ 10,502	
Less Unavailable Amounts:		
Advances to Other Funds	(2,199)	
AVAILABLE FUND BALANCE - OCTOBER 1, 2006		\$ 8,303
AVAILABLE LOW/MODERATE INCOME HOUSING FUNDS		
LIMITATION (GREATER OF \$1,000,000 OR FOUR YEARS SET-ASIDE):		
Set-aside for fiscal years 2002-03 to 2005-06		
2002-2003	1,820	
2003-2004	1,909	
2004-2005	2,301	
2005-2006	2,780	
TOTAL SET-ASIDE FOR LAST FOUR YEARS		8,810
COMPUTED EXCESS/SURPLUS - OCTOBER 1, 2006		\$ -



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February 21, 2008

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Redevelopment Agency of the
City of Huntington Beach
Huntington Beach, California

We have audited the financial statements of the governmental activities and each major fund for the Redevelopment Agency of the City of Huntington Beach (the Agency) as of and for the year ended September 30, 2007, which collectively comprise the Agency's basic financial statements and have issued our report thereon dated February 21, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Agency's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Agency's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Agency's financial statements that is more than inconsequential will not be prevented or detected by the Agency's internal control.

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Internal Control Over Financial Reporting (Continued)

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Agency's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies over material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the Agency are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. Such provisions included those provisions of laws and regulations identified in the Guidelines For Compliance Audits of California Redevelopment Agencies, issued by the State Controller and as interpreted in the Suggested Auditing Procedures for Accomplishing Compliance Audits of California Redevelopment Agencies, issued by the Governmental Accounting and Auditing Committee of the California Society of Certified Public Accountants. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matters that are required to be reported under Government Auditing Standards:

- a. Pursuant to California Health and Safety Code Section 33080.4, a blight progress report, a loan report and a property report must be provided and submitted to the Agency's legislative body within six months following the Agency's fiscal year end date of September 30, 2006. The Agency submitted the reports on June 6, 2007.
- b. Health and Safety Code Section 33080.1 requires Redevelopment Agencies to submit independent auditor's reports on financial statements and legal compliance, the Annual Report of Financial Transactions of Community Redevelopment Agencies and the Housing Activities Report to the Board of Directors within six months following the Agency's fiscal year end date of September 30, 2006. The Agency submitted the reports on June 6, 2007.

This report is intended solely for the information and use of the Redevelopment Agency of the City of Huntington Beach's Board of Directors and management and the State Controller's Office, Division of Accounting and Reporting and is not intended to be and should not be used by anyone other than these specific parties.

Dierl, Evans and Company, LLP

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